003

EOG Resources, Inc.
P.O. 1910
Vernal, UT 84078

April 22, 2004

Utah Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: APPLICATION FOR PERMIT TO DRILL
CHAPITA WELLS UNIT 891-16
NE/NE, SEC. 16, T9S, R22E
UINTAH COUNTY, UTAH
LEASE NO.: ML-3078
UTE INDIAN TRIBAL LANDS

Enclosed please find the original Application for Permit to Drill and associated attachments for the referenced well.

Please address further communication regarding this matter (including approval) to:
Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Phone: (435)789-4120
Fax: (435)789-1420

Sincerely,

Ed Trotter
Agent
EOG Resources, Inc.

Attachments

CWU 891-16 B

001

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

5. MINERAL LEASE NO:	6. SURFACE:
ML-3078	Indian

1A. TYPE OF WORK: DRILL ☑ REENTER ☐ DEEPEN ☐

7. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE INDIAN TRIBE

B. TYPE OF WELL: OIL ☐ GAS ☑ OTHER _____ SINGLE ZONE ☒ MULTIPLE ZONE ☐

8. UNIT or CA AGREEMENT NAME: CHAPITA WELLS UNIT

2. NAME OF OPERATOR: EOG RESOURCES, INC.

9. WELL NAME and NUMBER: CHAPITA WELLS UNIT 891-16

3. ADDRESS OF OPERATOR: P.O. BOX ~~1810~~ 1910 CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER: (435) 789-4120

10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 795' FNL, 829' FEL 633269X 40.04113
AT PROPOSED PRODUCING ZONE: SAME 4433281Y -109.43787

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 16 9S 22E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 15.7 MILES SOUTHEAST OF OURAY, UTAH

12. COUNTY: UINTAH

13. STATE: UTAH

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF ACRES IN LEASE:	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:
795	640	

18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)	19. PROPOSED DEPTH:	20. BOND DESCRIPTION:
SEE TOPO MAP C	10,620	JP-0921

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):	22. APPROXIMATE DATE WORK WILL START:	23. ESTIMATED DURATION:
4814.7 FEET GRADED GROUND	5/22/2004	45 DAYS

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
17 1/2"	13 3/8"	H-40	48.0#	250	SEE 8 POINT PLAN
12 1/4"	9 5/8"	J-55	36.0#	2,700	SEE 8 POINT PLAN
7 7/8"	4 1/2"	P-110	11.6#	10,620	SEE 8 POINT PLAN

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☑ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☑ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Ed Trotter TITLE Agent

SIGNATURE Ed Trotter DATE 4/22/2004

Federal Approval of this Action is Necessary

(This space for State use only)

API NUMBER ASSIGNED: 43-047-35679

Approved by the Utah Division of Oil, Gas and Mining

APPROVAL: 06-07-04

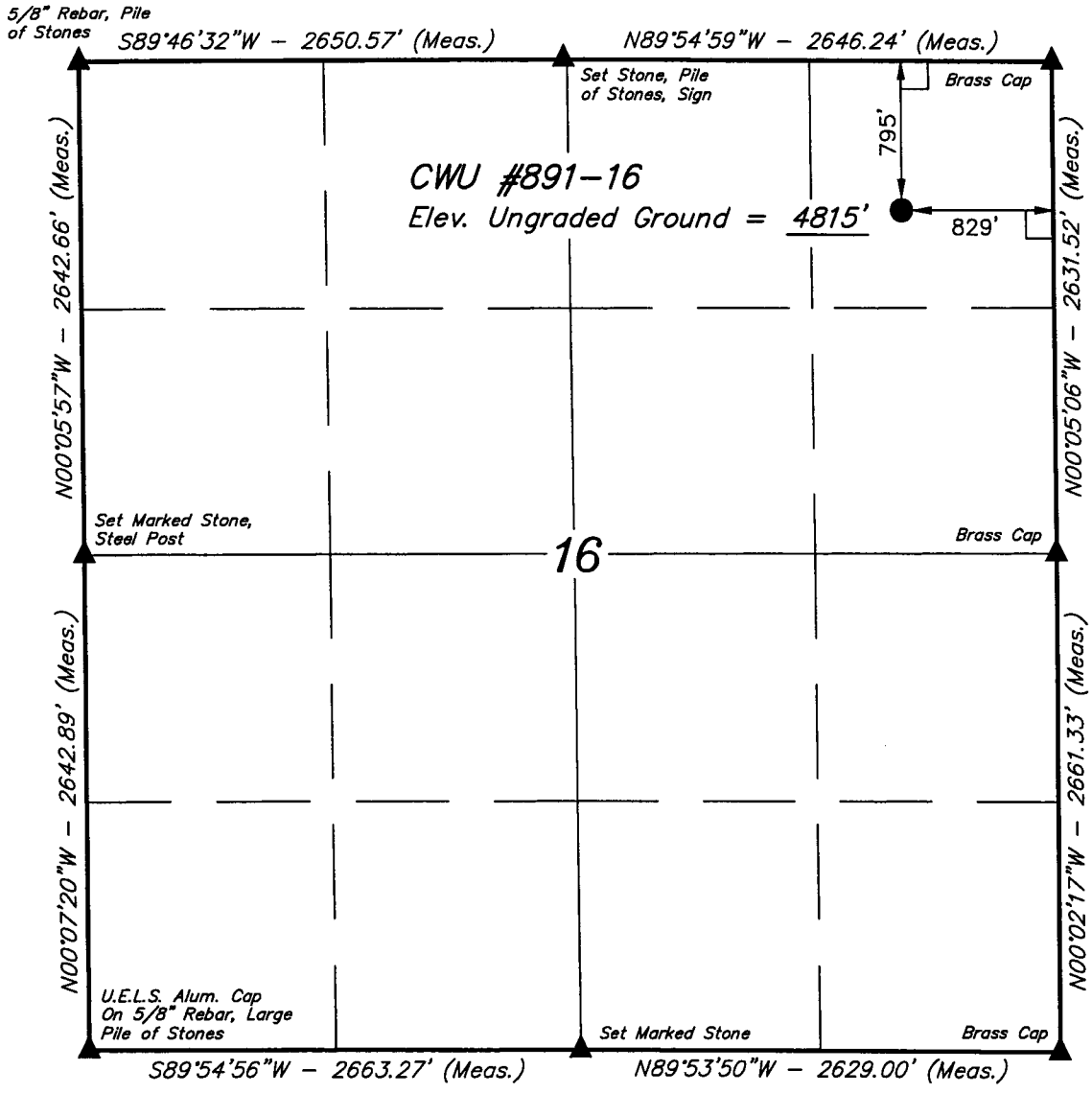
RECEIVED
APR 22 2004
DIV. OF OIL, GAS & MINING

(11/2001) (See Instructions on Reverse Side)

EOG RESOURCES, INC.

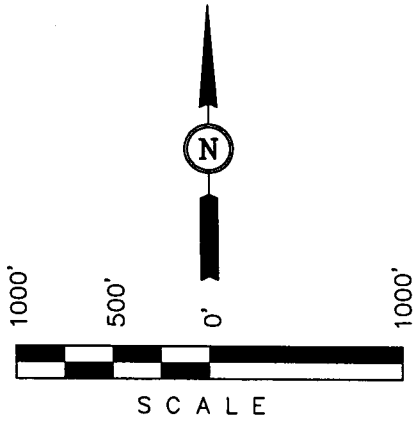
Well location, CWU #891-16, located as shown in the NE 1/4 NE 1/4 of Section 16, T9S, R22E, S.L.B.&M. Uintah County, Utah.

T9S, R22E, S.L.B.&M.



BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(NAD 27)
LATITUDE = 40°02'28.03" (40.041119)
LONGITUDE = 109°26'16.05" (109.437792)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE: 1" = 1000'	DATE SURVEYED: 12-18-03	DATE DRAWN: 01-06-04
PARTY: K.K. G.M. D.R.B.	REFERENCES: G.L.O. PLAT	
WEATHER: COLD	FILE: EOG RESOURCES, INC.	

002

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

April 30, 2004

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2004 Plan of Development Chapita Wells Unit
Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2004 within the Chapita Wells Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION

(Proposed PZ Mesaverde)

43-047-35679 CWU 891-16 Sec 16 T09S R22E 0795 FNL 0829 FEL
43-047-35680 CWU 890-16 Sec 16 T09S R22E 0074 FNL 2069 FWL
43-047-35681 CWU 889-16 Sec 16 T09S R22E 1422 FSL 1494 FWL
43-047-35682 CWU 519-16 Sec 16 T09S R22E 2408 FNL 0530 FWL
43-047-35683 CWU 888-21 Sec 21 T09S R22E 0921 FNL 2187 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Chapita Wells Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:4-30-04

EIGHT POINT PLAN

CHAPITA WELLS UNIT 891-16
NE/NE, SEC. 16, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	DEPTH (KB)
Green River	1,601'
Wasatch	4,950'
North Horn	6,836
Island	7,475'
KMV Price River	7,687'
KMV Price River Middle	8,337'
KMV Price River Lower	9,188'
Sego	9,639'
KMV Castlegate	9,787'
Base Castlegate SS	10,019'
KMV Blackhawk	10,220'

EST. TD: 10,620 Anticipated BHP 4600 PSI

3. PRESSURE CONTROL EQUIPMENT: 5000 PSIG BOP Schematic Diagram attached.

4. CASING PROGRAM:

							RATING FACTOR		
HOLE SIZE	INTERVAL	LENGTH	SIZE	WEIGHT	GRADE	THREAD	COLLAPSE	BURST	TENSILE
Option 1									
17 ½"	0' – 250'	250'	13 3/8"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
12 1/4"	250' – 2700'+/- KB	2700' +/-	9 5/8"	36.0 #	J-55	ST&C	2020 PSI	3520 PSI	394,000#
7 7/8"	2700' – TD +/-KB	10,620' +/-	4 1/2"	11.6 #	P-110	LT&C	7560 PSI	10,690 PSI	279,000#
Option 2									
12 1/4"	0' – 2700'+/- KB	2300' +/-	9 5/8"	36.0 #	J-55	ST&C	2020 PSI	3520 PSI	394,000#
7 7/8"	2700' – TD +/-KB	10,620' +/-	4 1/2"	11.6 #	P-110	LT&C	7560 PSI	10,690 PSI	279,000#

The 12 ¼" Intermediate hole will be drilled to a total depth of 200' below the base of the Green River lost circulation zone and 9 5/8" casing will be set to that depth. Actual setting depth of the 9 5/8" casing may be less than 2700' in this well.

All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0-250' Below GL):

Guide Shoe
Insert Baffle
Wooden wiper plug
Centralizers: 1 – 5-10' above shoe, every collar for next 3 joints (4 total).

Float Equipment (Continued):

Intermediate Hole Procedure (250'- 2700'):
Guide Shoe
Insert Float Collar (PDC drillable)
Cents.: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2700'-TD'):
FS, 1 joint of casing, FC, and balance of casing to surface. Run 11.6#, N-80 burst rating or equivalent marker collars or short casing joints at ± **7,687' (Top of Price River)** and ± **4,500' (400' above the Wasatch)** (alter depth if needed to avoid placing across any potentially- productive intervals). Centralize 5' above shoe on joint #1, top of joint #2, then every 2nd joint to **400' above Island top** (50 total). Thread lock FS, top and bottom of FC, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (0-250' below GL):
Air – Air Water Mist

Intermediate Hole Procedure (250'- 2700'):
Water (circulate through reserve pit) with Gel/LCM sweeps.

Production Hole Procedure (2700'-TD):
2700'- 4500' Water (circulate through reserve pit) with Gel/LCM sweeps.

4500'- 6900' Close in mud system. "Mud up" with **6.0 ppb** Diammonium Phosphate (DAP). Drill with DAP water, POLYPLUS for viscosity and hole cleaning, adding KLA-GARD B for supplemental inhibition. Also sweep hole periodically w/ Durogel / LCM sweeps to clean the hole and seal loss zones. Add additional LCM as hole dictates. Mud weight and vis as needed, water loss – no control.

6900'- TD Discontinue KLA-GARD B. Utilize POLYPAC-R for fluid loss control. Maintain **5.5 ppb** DAP. **Do not mix caustic or lime.** Maintain 7.5-8.5 pH. Weight up system and add vis as hole conditions require. Run LCM sweep periodically to seal off loss zones or more often as hole dictates. Water loss: 20 cc's maximum. Expect increasing gas shows requiring heavier mud weights from top of Island onward. Treat CO_2 contamination with DESCO CF and OSIL (Oxygen scavenger) if mud properties dictate.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 891-16
NE/NE, SEC. 16, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

7. VARIANCE REQUESTS:

A. EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line (Where possible, a straight run blooie line will be used).

B. EOG Resources, Inc. requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the blooie line. (Not required on aerated water system).

C. EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be 75' in length.

8. EVALUATION PROGRAM:

Logs: RST (Reservoir Saturation Tool) Cased logs TD to Surface

9. CEMENT PROGRAM:

Surface Hole Procedure (0-250' Below GL)

Lead: **300 sks** (100% excess volume) Class 'G' cement with 2% S1 (CaCl2) & 0.25 pps D29 (cellophane flakes), mixed at 15.8 ppg, 1.16 ft^3./sk., 4.95 gps water.

Top Out: Top out with Class 'G' cement with 2% S1 (CaCl2) in mix water, 15.8 ppg, 1.16 ft^3./sk., 4.95 gps via 1" tubing set at 25' if needed.

Intermediate Hole Procedure (250'- 2700'):

Option 1:

Lead: **140 sks:** (50% excess volume) Class 'G' lead cement (coverage from 1700-1000') with 5% D44 (Salt), 12% D20 (Bentonite), 1% D79% (Extender), 0.25% D112 (Fluid Loss Additive), 0.2% D46 (Anti-Foamer) & 0.25 pps D29 (Cellophane flakes) mixed at 11.0 ppg, 3.91 ft^3/sk., 24.5 gps water.

Tail: **475 sks:** (50% excess volume) Class 'G' cement (coverage from 2700-1700') with 10% D53 (Gypsum), 2% S1 (CaCl2) & 0.25 pps D29 (Cellophane flakes) mixed at 14.2 ppg, 1.61 ft^3/sk., 7.9 gps water.

Option 2:

Lead: **210 sks:** (60% excess volume) Class 'G' lead cement (coverage from 2300-1800') with 2% BWOC (Calcium Chloride), ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Tail: **720 sks**: (60% excess volume) Class 'G' cement (coverage from 1800'-Surface) with 2% BWOC (Calcium Chloride), ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 891-16
NE/NE, SEC. 16, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

CEMENT PROGRAM (Continued):

Production Hole Procedure (2700' to TD)

Lead: 440 sks 35:65 Poz G w/ 4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.15% D13 (Retarder), 0.25 pps D29 (cello flakes), mixed at 13.0 ppg, 1.73 cu. ft./sk., 9.06 gps water

Tail: 760 sks: 50:50 Poz G w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.15% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 cu. ft./sk., 5.9 gps water.

10. ABNORMAL CONDITIONS:

Intermediate Hole (250'- 2700'):

Lost circulation below 1800' and minor amounts of gas may be present.

Production Hole (2700'-TD):

Sloughing shales and key seat development are possible in the Wasatch Formation. CO_2 contamination in the mud is possible in the Price River (Mesa Verde).

11. STANDARD REQUIRED EQUIPMENT:

A. Choke Manifold
B. Kelly Cock
C. Stabbing Valve
D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

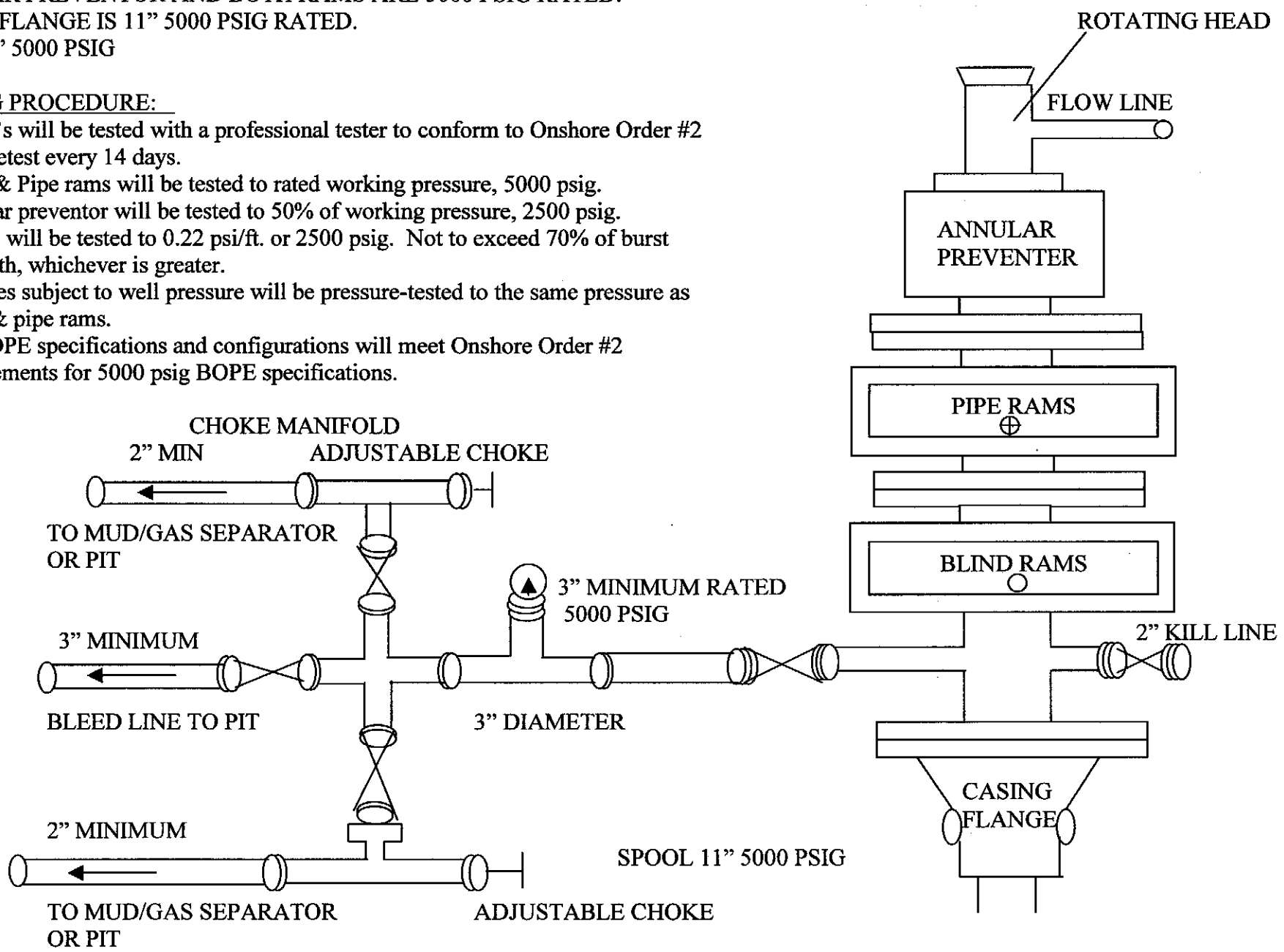
(Attachment: BOP Schematic Diagram)

5000 PSIG DIAGRAM

ANNULAR PREVENTOR AND BOTH RAMS ARE 5000 PSIG RATED.
CASING FLANGE IS 11" 5000 PSIG RATED.
BOPE 11" 5000 PSIG

TESTING PROCEDURE:

1. BOPE's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 5000 psig.
3. Annular preventor will be tested to 50% of working pressure, 2500 psig.
4. Casing will be tested to 0.22 psi/ft. or 2500 psig. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be pressure-tested to the same pressure as blind & pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 5000 psig BOPE specifications.



CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

Company/Operator:	EOG Resources, Inc.
Well Name & Number:	Chapita Wells Unit 891-16
Lease Number:	ML-3078
Location:	795' FNL & 829' FEL, NE/NE, Sec. 16, T9S, R22E, S.L.B.&M., Uintah County
Surface Ownership:	Ute Indian Tribe

NOTIFICATION REQUIREMENTS

Location Construction	- forty-eight (48) hours prior to construction of location and access roads.
Location Completion	- prior to moving on the drilling rig.
Spud Notice:	- at least twenty-four (24) hours prior to spudding the well.
Casing String and Cementing	- twenty-four (24) hours prior to running casing and cementing all casing strings.
BOP and related Equipment Tests	- twenty-four (24) hours prior to running casing and tests.
First Production Notice	- within five (5) business days after new Well begins or production resumes after Well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
B. The proposed well site is located approximately 15.7 miles southeast of Ouray, Utah - See attached TOPO Map "A".
C. Refer to attached Topographic Map "A" showing labeled access route to location.
D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

A. An existing access road will be utilized to service this well. See attached TOPO Map "B".
B. The access road has a 30 foot ROW w/ 18 foot running surface.
C. Maximum grade on access road will be 8%.
D. No turnouts will be required.
E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
F. No culverts, bridges, or major cuts and fills will be required.
G. The access road will be dirt surface.
H. No gates, cattleguards, or fences will be required or encountered.

New or reconstructed roads will be centerlined - flagged at time of location staking.

All travel will be confined to existing access road Right-of-Way.
Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service Publication: Surface Operating Standards For Oil & Gas Exploration and Development, (1989).

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of-Way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of

drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, EOG Resources, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION

A. Abandoned wells - 3*
B. Temporarily abandoned wells - 1*
C. Producing wells - 47*
D. Shut in wells – 1*
(*See attached TOPO map "C" for location)

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

A. ON WELL PAD

1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of well head valves, separator, dehy, 210 Bbl condensate tank, meter house, and attached piping.
2. Gas gathering lines - A 4" gathering line will be buried from dehy to the edge of the location.

B. OFF WELL PAD

1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
2. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.

The production facilities will be placed on the East side of the location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as

determined by the Rocky Mountain Five State Interagency Committee.
All facilities required will be painted within 6 months of installation.
Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.
The required paint color is Carlsbad Canyon.
If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a construction in the unit or other lease or unit boundary change), the BIA will process a change in authorization to the appropriate rental or other financial obligation as determined by the authorized officer.

5. LOCATION & TYPE OF WATER SUPPLY

A. Water supply will be from the Ouray Brine Plant at Ouray, Utah, and/or Target Trucking Inc.'s water source in the SW/SW, Sec. 35, T9S, R22E, Uintah County, Utah (State Water Right #49-1501). Produced water from the Chapita Wells and Stagecoach Units will also be used.
B. Water will be hauled by a licensed trucking company.
C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
B. All construction material will come from Tribal Land.
C. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION
   1. Cuttings will be confined in the reserve pit.
   2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
   3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County landfill.
   4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.

B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

On BIA administered land:
The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with a plastic liner. A felt liner will also be installed if rock is encountered during pit construction.

8. **ANCILLARY FACILITIES**
   A. No airstrips or camps are planned for this well.

9. **WELLSITE LAYOUT**
   A. Refer to attached well site plat for related topography cuts and fills and cross sections.
   B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.
   C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The reserve pit will be located on the Southeast corner of the location.
The flare pit will be located downwind of the prevailing wind direction on the South side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.
The stockpiled topsoil will be stored South of the access road to Corner #6.

Access to the well pad will be from the Northwest.

Corner #6 will be rounded off to minimize excavation.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BIA or SMA specifications. A cattleguard with an adjacent 16-foot gate shall be installed in any fence where a road is to be regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to crossing any fence located on Tribal land, or any fence between Tribal land and private land, the operator will contact the BIA, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 12 months from the date of well completion. Before any dirt work takes place, the reserve pit will be

completely dry and all cans, barrels, pipe, fluid, and hydrocarbons, will be removed.

Contact appropriate surface management agency for required seed mixture.

B. **DRY HOLE/ABANDONED LOCATION**

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BIA will attach the appropriate surface rehabilitation conditions of approval.

11. **SURFACE OWNERSHIP**

Access road: Tribal
Location: Tribal

12. **OTHER INFORMATION**

A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used.
- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs.

The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

B. As operator, EOG Resources, Inc. will control noxious weeds

along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BIA, or the appropriate County Extension Office. On BIA administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Tribal Lands after the conclusion of drilling operations or at any other time without BIA authorization. However, if BIA authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BIA does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

Additional Surface Stipulations

None

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

PERMITTING AGENT	**DRILLING OPERATIONS**
Ed Trotter	Donald Presenkowski
P.O. Box 1910	EOG Resources, Inc.
Vernal, UT 84078	P.O. Box 250
Telephone: (435)789-4120	Big Piney, WY 83113
Fax: (435)789-1420	Telephone: (307)276-4865

All lease or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. EOG Resources, Inc. is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

The BIA office shall be notified upon site completion prior to moving on the drilling rig.

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in the Plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this Plan and the terms and conditions under which it is approved.

Please be advised that EOG Resources, Inc. is considered to be the operator of the **Chapita Wells Unit 891-16 Well, located in the NE/NE of Section 16, T9S, R22E, Uintah County, Utah; Lease #ML-3078;** and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is provided under Bond # JP-0921.

4-22-2004
Date

Agent

EOG RESOURCES, INC.

CWU #891-16
SECTION 16, T9S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

EOG RESOURCES, INC.

CWU #891-16

LOCATED IN UINTAH COUNTY, UTAH
SECTION 16, T9S, R22E, S.L.B.&M.

PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE **CAMERA ANGLE: NORTHERLY**

PHOTO: VIEW FROM BEGINNING OF EXISTING ACCESS **CAMERA ANGLE: SOUTHEASTERLY**

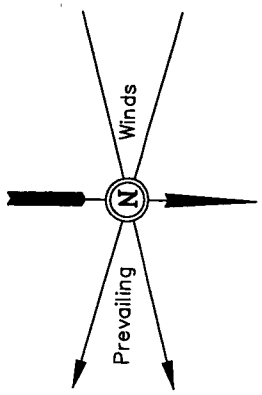
- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	1 MONTH	2 DAY	04 YEAR	PHOTO
TAKEN BY: K.K.	DRAWN BY: J.L.G.	REVISED: 00-00-00		

EOG RESOURCES, INC.

LOCATION LAYOUT FOR

CWU #891-16
SECTION 16, T9S, R22E, S.L.B.&M.
795' FNL 829' FEL



SCALE: 1" = 50'
DATE: 01-06-04
Drawn By: D.R.B.

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

REGISTERED LAND SURVEYOR
No. 161319
ROBERT L. KAY
STATE OF UTAH

Elev. Ungraded Ground at Location Stake = 4815.2'
Elev. Graded Ground at Location Stake = 4814.7'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

EOG RESOURCES, INC.

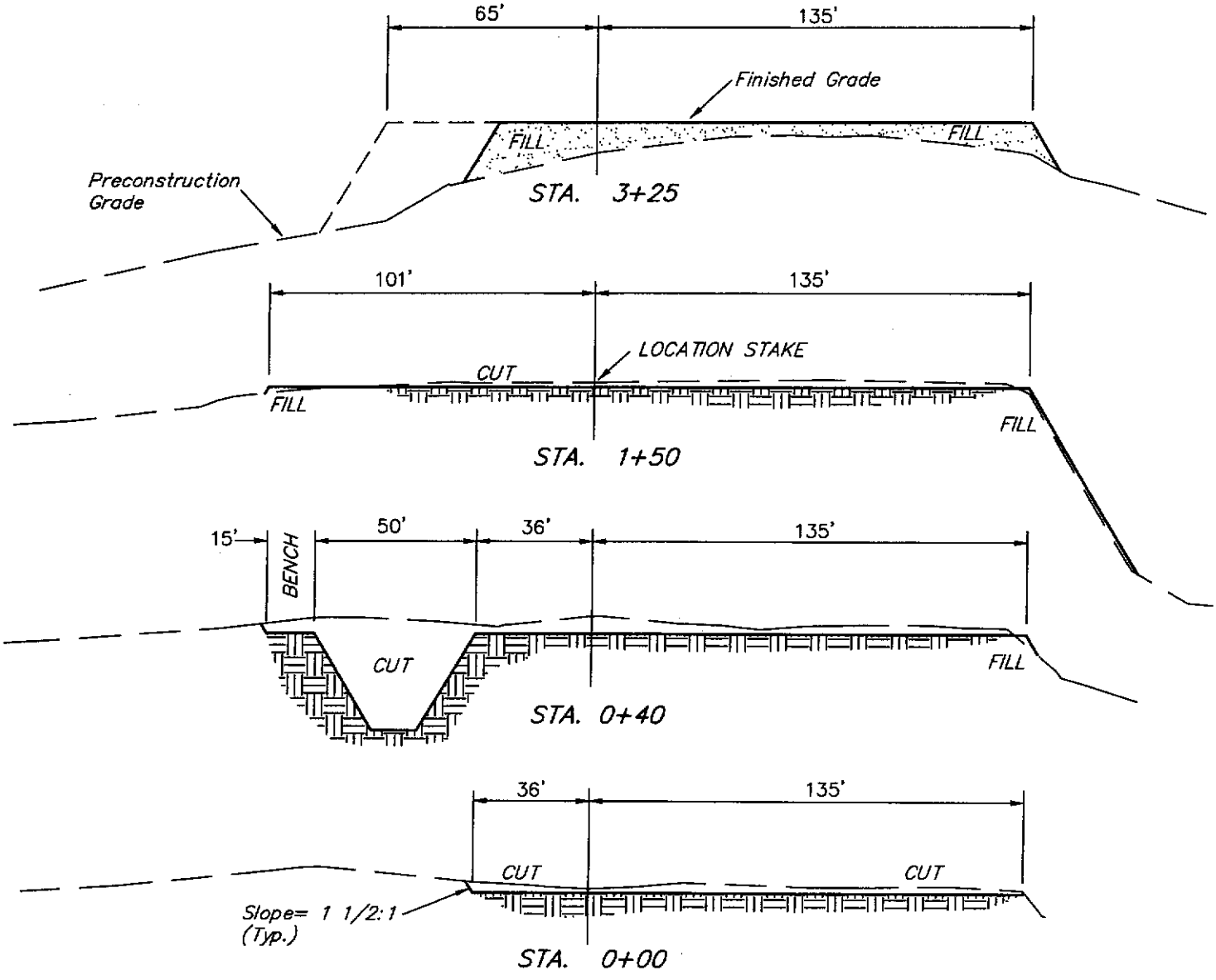
TYPICAL CROSS SECTIONS FOR

CWU #891-16
SECTION 16, T9S, R22E, S.L.B.&M.
795' FNL 829' FEL

1" = 20'
X-Section Scale
1" = 50'

DATE: 01-06-04
Drawn By: D.R.B.

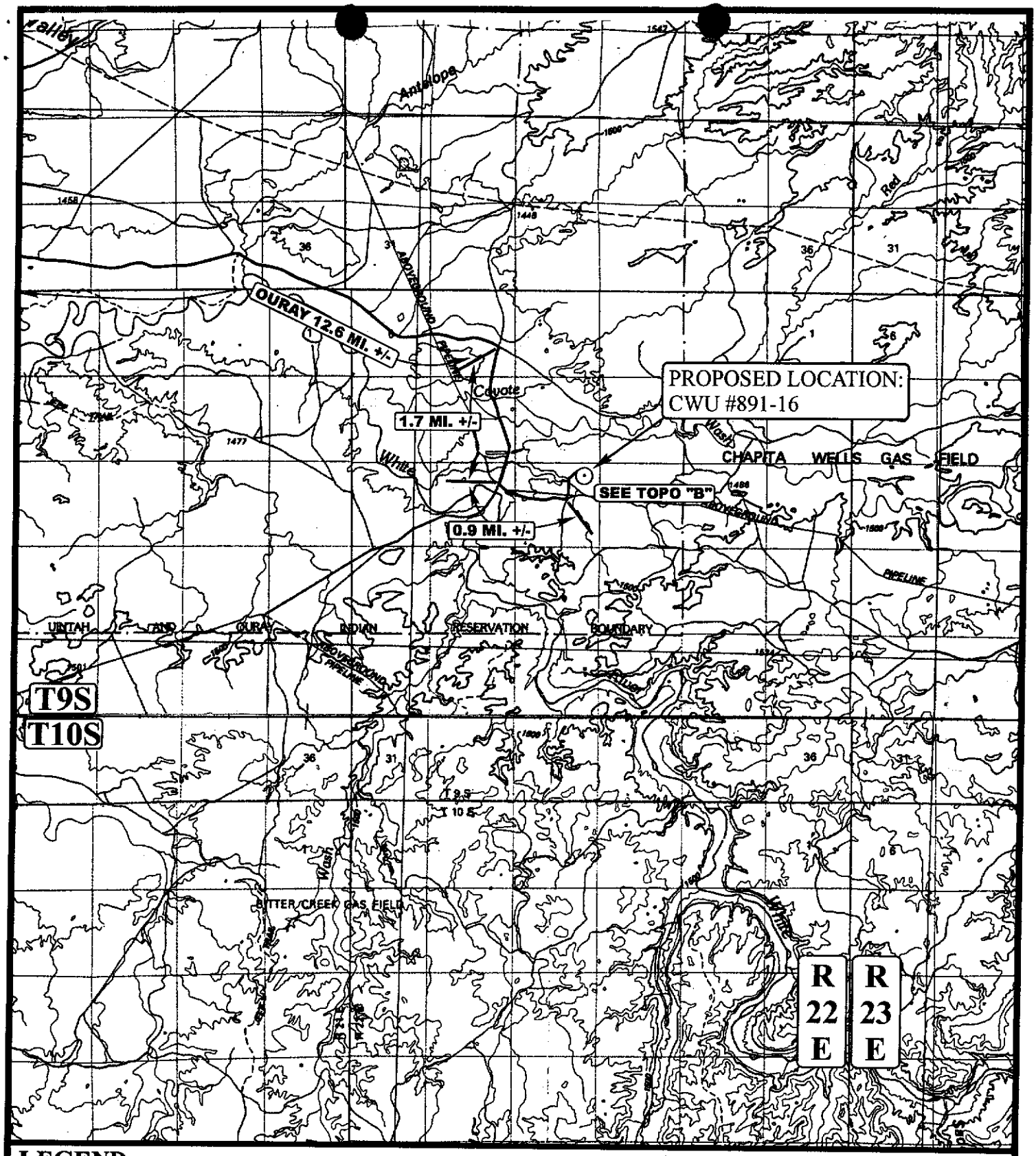
REGISTERED LAND SURVEYOR No. 161319 ROBERT L. KAY STATE OF UTAH



APPROXIMATE YARDAGES

(12") Topsoil Stripping	= 780 Cu. Yds.	EXCESS MATERIAL AFTER 5% COMPACTION	= 1,570 Cu. Yds.
Remaining Location	= 2,810 Cu. Yds.	Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,570 Cu. Yds.
TOTAL CUT	= 3,590 CU.YDS.	EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.
FILL	= 1,920 CU.YDS.		

UINTAH ENGINEERING & LAND SURVEYING
*85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017*



LEGEND:

⊙ PROPOSED LOCATION

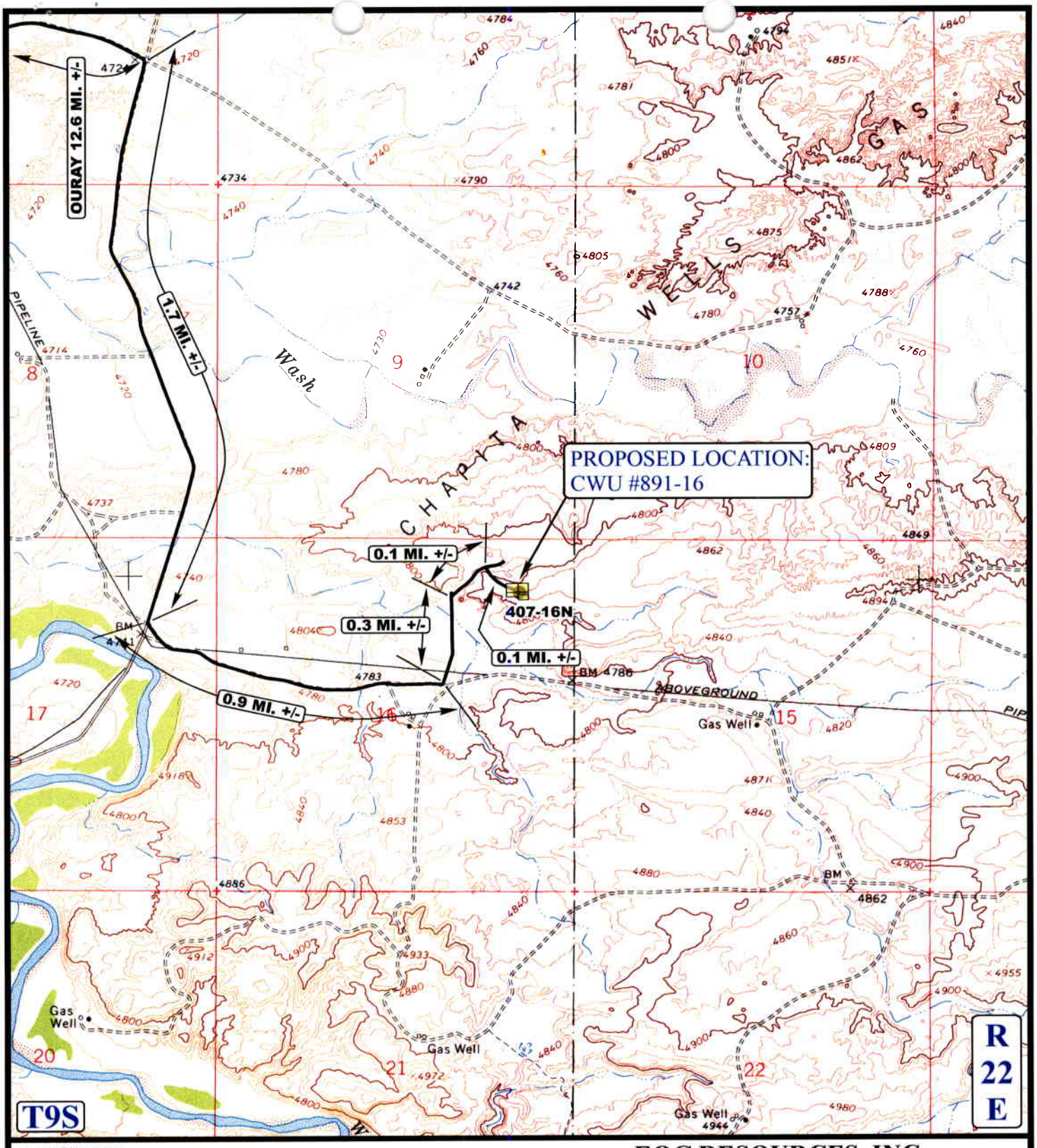
N

EOG RESOURCES, INC.

CWU #891-16
SECTION 16, T9S, R22E, S.L.B.&M.
795' FNL 829' FEL

UELS
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	1 MONTH	2 DAY	04 YEAR	A TOPO
SCALE: 1 : 100,000	DRAWN BY: J.L.G.	REVISED: 00-00-00		



LEGEND:

PROPOSED ACCESS ROAD

EXISTING ROAD

N

EOG RESOURCES, INC.

CWU #891-16

SECTION 16, T9S, R22E, S.L.B.&M.

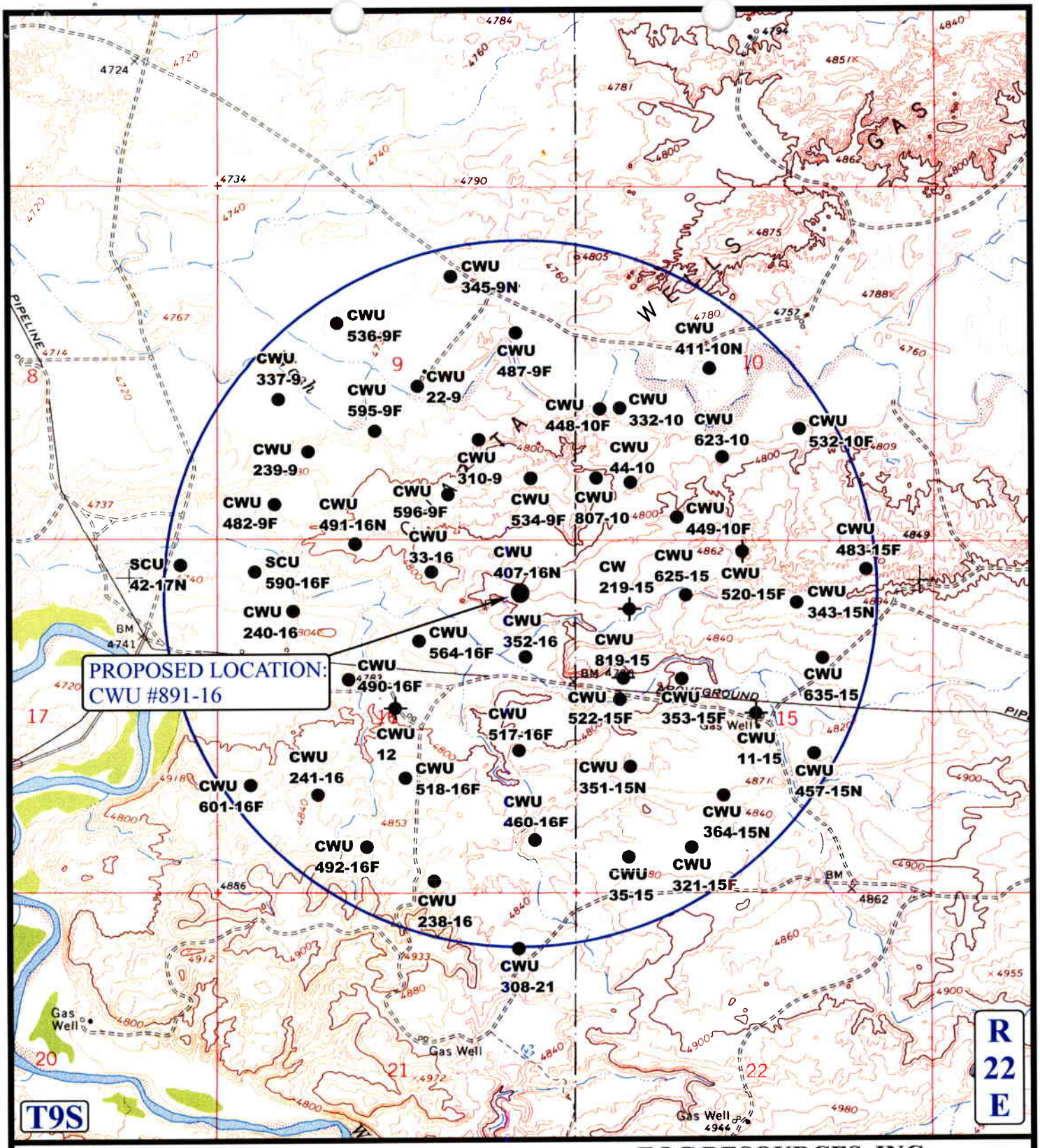
795' FNL 829' FEL

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078

(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	1 MONTH	2 DAY	04 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: J.L.G.	REVISED: 00-00-00		



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

N

EOG RESOURCES, INC.

CWU #891-16
SECTION 16, T9S, R22E, S.L.B.&M.
795' FNL 829' FEL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	1 MONTH	2 DAY	04 YEAR	C TOPO
SCALE: 1" = 2000'	DRAWN BY: J.L.G.	REVISED: 00-00-00		

004

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/27/2004

API NO. ASSIGNED: 43-047-35679

WELL NAME: CWU 891-16

OPERATOR: EOG RESOURCES INC (N9550)

CONTACT: ED TROTTER

PHONE NUMBER: 435-789-4120

PROPOSED LOCATION:

NENE 16 090S 220E

SURFACE: 0795 FNL 0829 FEL

BOTTOM: 0795 FNL 0829 FEL

UINTAH

NATURAL BUTTES (630)

LEASE TYPE: 3 - State

LEASE NUMBER: ML-3078 OK

SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: BLKHK

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 40.04113

LONGITUDE: 109.43787

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[] Ind[] Sta[3] Fee[]
(No. JP-0921 OK)

N Potash (Y/N)

Y Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 49-1501)

N RDCC Review (Y/N)
(Date:)

NA Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit CHAPITA WELLS

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

✓ Drilling Unit

Board Cause No: 179-8

Eff Date: 8-10-1999

Siting: Suspends General Siting

___ R649-3-11. Directional Drill

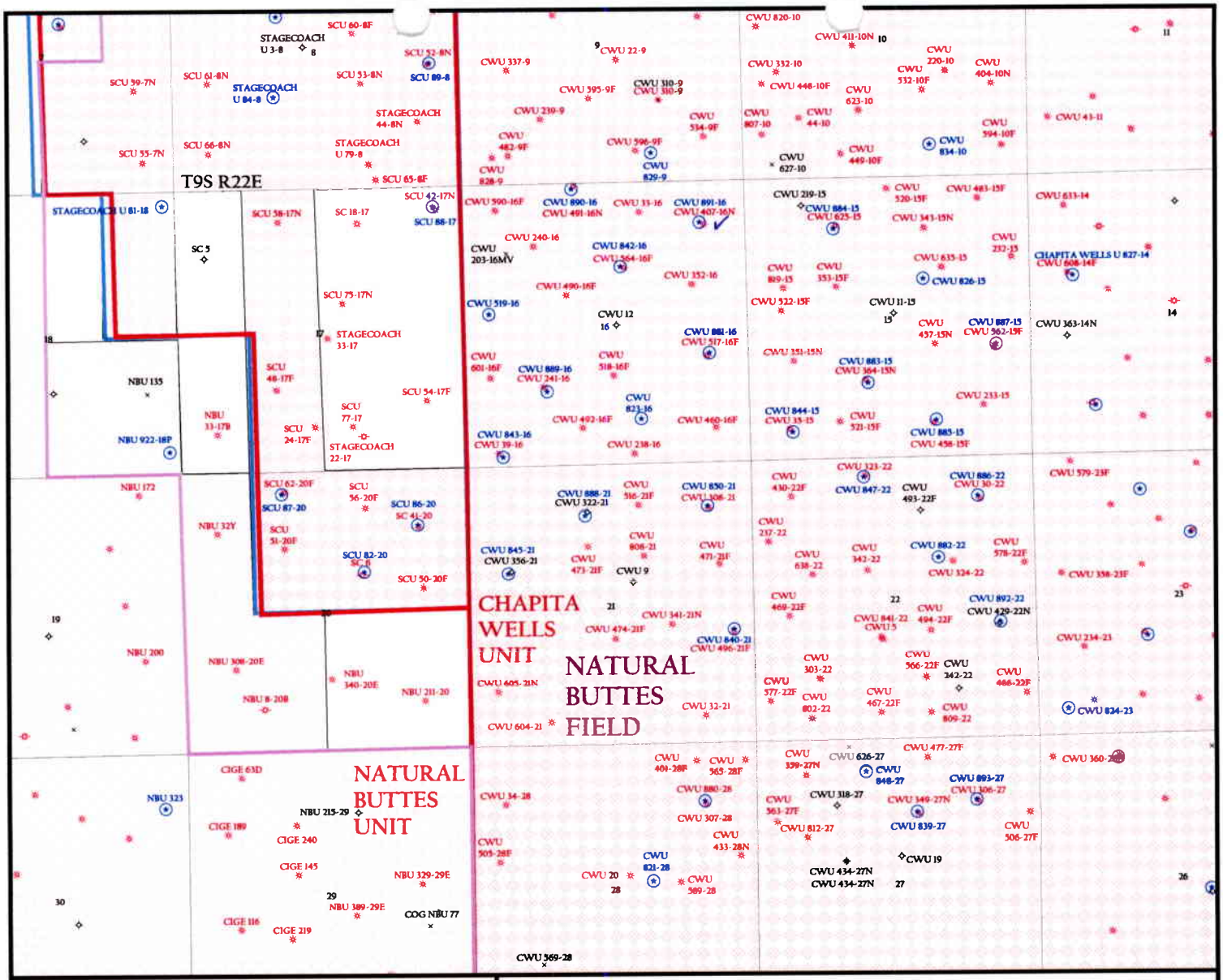
COMMENTS:

STIPULATIONS: 1- Federal Approval

2- Oil Shale

3- Production Casing Cement should be brought a minimum of 500' above Wasatch Fm. (± 4500') 4½"

4- STATEMENT OF BASIS



OPERATOR: EOG RESOURCES INC (N9550)

SEC. 16 T.9S, R.22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 179-8 / 8-10-1999

Utah Oil Gas and Mining

Well Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

N

W E

S

PREPARED BY: DIANA WHITNEY

DATE: ~~27~~ 30 APRIL-2004

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: EOG RESOURCES, INC.
WELL NAME & NUMBER: CHAPITA WELLS UNIT 891-16
API NUMBER: 43-047-35679
LOCATION: 1/4,1/4 NE/NE Sec: 16 TWP: 9S RNG:22E 795' FSL 829' FEL

Geology/Ground Water:

EOG proposes to set 250 feet of surface casing and 2700 feet of intermediate casing cemented to the surface. The base of the moderately saline water is estimated at 350 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed casing and cement should adequately protect any near surface aquifers.

Reviewer: Brad Hill **Date:** 06-07-04

Surface:

The proposed well is located on lands owned by the Ute Indian Tribe. The operator is responsible for obtaining all required surface use permits and rights of way prior to making any surface disturbance.

Reviewer: Brad Hill **Date:** 06-07-04

Conditions of Approval/Application for Permit to Drill:

None.

Well name:	**05-04 EOG 891-16**
Operator:	**EOG Resources**
String type:	Surface
Project ID:	43-047-35679
Location:	Uintah County

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 2,376 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,700 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on buoyed weight.
Neutral point: 2,364 ft

Environment:

H2S considered?	No
Surface temperature:	65 °F
Bottom hole temperature:	103 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	250 ft
Cement top:	0 ft

Non-directional string.

Re subsequent strings:

Next setting depth:	10,620 ft
Next mud weight:	10.500 ppg
Next setting BHP:	5,793 psi
Fracture mud wt:	19.250 ppg
Fracture depth:	2,700 ft
Injection pressure	2,700 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	2700	9.625	36.00	J-55	ST&C	2700	2700	8.796	192.3

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1178	2020	1.715	2700	3520	1.30	85	394	4.63 J

Prepared by: Clinton Dworshak, Utah Div. of Oil & Mining
Phone: 801-538-5280
FAX: 810-359-3940
Date: May 27,2004
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2700 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**05-04 EOG 891-16**
Operator:	**EOG Resources**
String type:	Production
Project ID:	43-047-35679
Location:	Uintah County

Design parameters:

Collapse
Mud weight: 10.500 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 2,020 psi
Internal gradient: 0.355 psi/ft
Calculated BHP 5,793 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 8,953 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 214 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 4,818 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	10620	4.5	11.60	P-110	LT&C	10620	10620	3.875	246.2

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5793	7580	1.309	5793	10690	1.85	104	279	2.69 J

Prepared by: Clinton Dworshak, Utah Div. of Oil & Mining
Phone: 801-538-5280
FAX: 810-359-3940
Date: May 27,2004
Salt Lake City, Utah

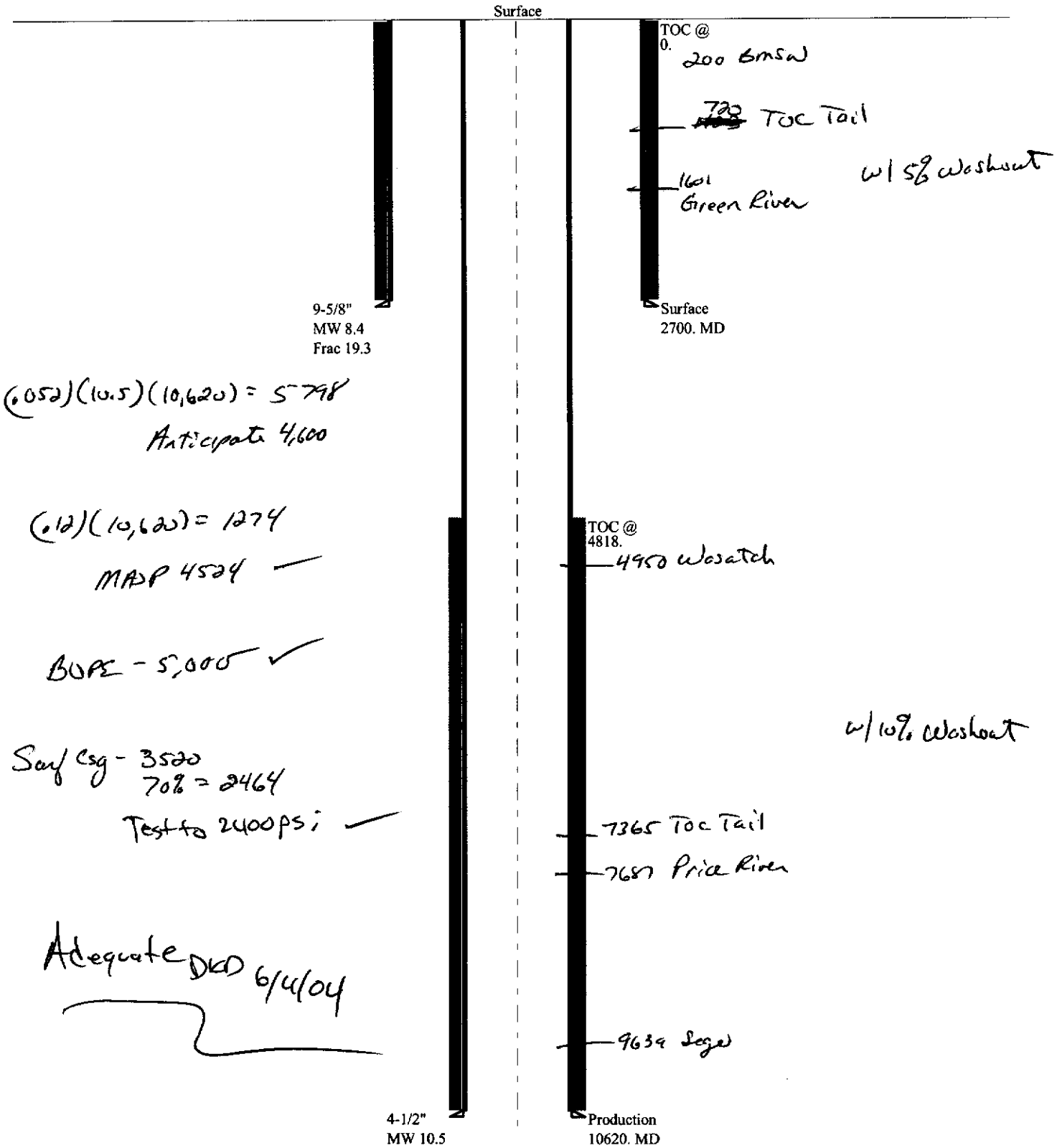
Remarks:
Collapse is based on a vertical depth of 10620 ft, a mud weight of 10.5 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

05-04 EOG 891-16

Casing Schematic



Well name:	**05-04 EOG 891-16 Option 1**
Operator:	**EOG Resources**
String type:	Surface
Project ID:	43-047-35679
Location:	Uintah County

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 220 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 250 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 219 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 68 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:
Next setting depth: 2,700 ft
Next mud weight: 8.800 ppg
Next setting BHP: 1,234 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 250 ft
Injection pressure 250 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	250	13.375	48.00	H-40	ST&C	250	250	12.59	23.5

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	109	740	6.783	250	1730	6.92	11	322	30.59 J

Prepared by: Clinton Dworshak, Utah Div. of Oil & Mining
Phone: 801-538-5280
FAX: 810-359-3940
Date: May 27,2004
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 250 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**05-04 EOG 891-16 Option 1**
Operator:	**EOG Resources**
String type:	Intermediate
Project ID:	43-047-35679
Location:	Uintah County

Design parameters:

Collapse
Mud weight: 8.800 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 2,376 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,700 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 2,348 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 103 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: 1 ft

Non-directional string.

Re subsequent strings:
Next setting depth: 10,620 ft
Next mud weight: 10.500 ppg
Next setting BHP: 5,793 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,700 ft
Injection pressure 2,700 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2700	9.625	36.00	J-55	ST&C	2700	2700	8.796	192.3

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1234	2020	1.637	2700	3520	1.30	85	394	4.66 J

Prepared by: Clinton Dworshak, Utah Div. of Oil & Mining
Phone: 801-538-5280
FAX: 810-359-3940
Date: May 27,2004
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 2700 ft, a mud weight of 8.8 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**05-04 EOG 891-16 Option 1**
Operator:	**EOG Resources**
String type:	Production
Project ID:	43-047-35679
Location:	Uintah County

Design parameters:

Collapse
Mud weight: 10.500 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: -608 psi
Internal gradient: 0.603 psi/ft
Calculated BHP 5,793 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Tension:
8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 8,953 ft

Environment:
H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 214 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 4,818 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	10620	4.5	11.60	P-110	LT&C	10620	10620	3.875	246.2

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	5793	7580	1.309	5793	10690	1.85	104	279	2.69 J

Prepared by: Clinton Dworshak, Utah Div. of Oil & Mining
Phone: 801-538-5280
FAX: 810-359-3940
Date: May 27,2004
Salt Lake City, Utah

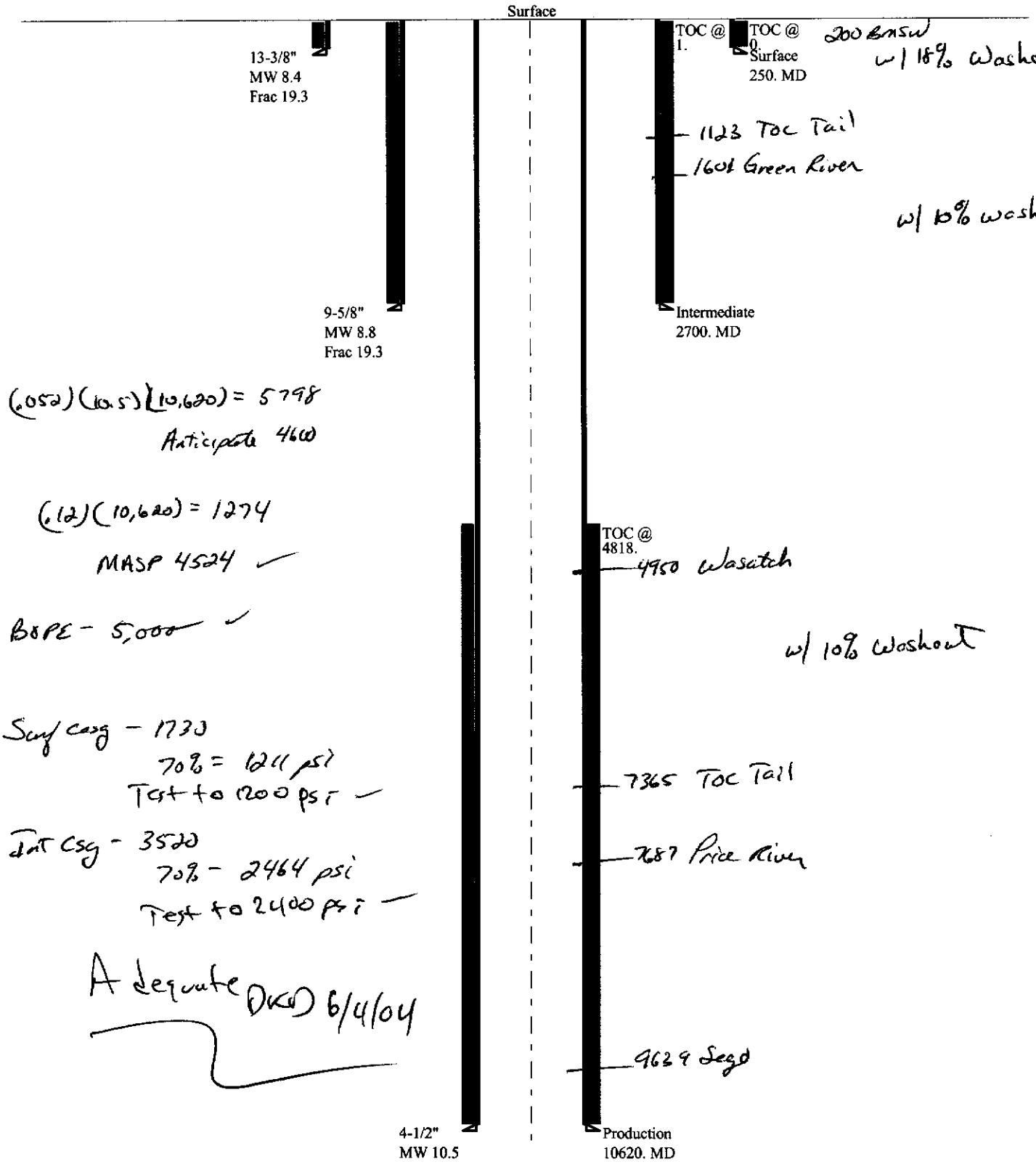
Remarks:
Collapse is based on a vertical depth of 10620 ft, a mud weight of 10.5 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

05-04 EOG 891-16 Option 1

Casing Schematic



005

State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

June 7, 2004

EOG Resources, Inc.
P O Box 1910
Vernal, UT 84078

Re: Chapita Wells Unit 891-16 Well, 795' FNL, 829' FEL, NE NE, Sec. 16, T. 9 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35679.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA
Bureau of Land Management – Vernal Field Office

Operator: EOG Resources, Inc.

Well Name & Number Chapita Wells Unit 891-16

API Number: 43-047-35679

Lease: ML-3078

Location: NE NE **Sec.** 16 **T.** 9 South **R.** 22 East

Conditions of Approval

1. **General**
   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**
   The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:
   - 24 hours prior to cementing or testing casing
   - 24 hours prior to testing blowout prevention equipment
   - 24 hours prior to spudding the well
   - within 24 hours of any emergency changes made to the approved drilling program
   - prior to commencing operations to plug and abandon the well

   The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):
   - Dan Jarvis at (801) 538-5338
   - Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**
   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

7. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

8. A 4 ½ " Production string cement should be brought a minimum of 500' above Wasatch formation (±4500').

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

006

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3078
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE INDIAN TRIBE
7. UNIT or CA AGREEMENT NAME: CHAPITA WELLS UNIT
8. WELL NAME and NUMBER: CHAPITA WELLS UNIT 891-16
9. API NUMBER: 4304735679
10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER
2. NAME OF OPERATOR: EOG RESOURCES, INC.
3. ADDRESS OF OPERATOR: P.O. BOX 1910 CITY VERNAL STATE UT ZIP 84078 PHONE NUMBER: (435) 789-4120
4. LOCATION OF WELL
FOOTAGES AT SURFACE: 795' FNL, 829' FEL COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 16 9S 22E S STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☑ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. requests authorization to move the subject well from its present location to 796' FNL & 850' FEL, Section 16, T9S, R22E, S.L.B.&M.
A revised staking plat is attached.

633262X
4433581Y
40.04113
-109.43795

EOG Resources, Inc. further requests authorization to revise the drilling procedure on the subject well.
These changes include changes in the casing, cement, float equipment, and mud program.
A revised drilling plan is attached.

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 09-20-04
By:

RECEIVED
SEP 07 2004
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Ed Trotter TITLE Agent
SIGNATURE Ed Trotter DATE 8/30/2004

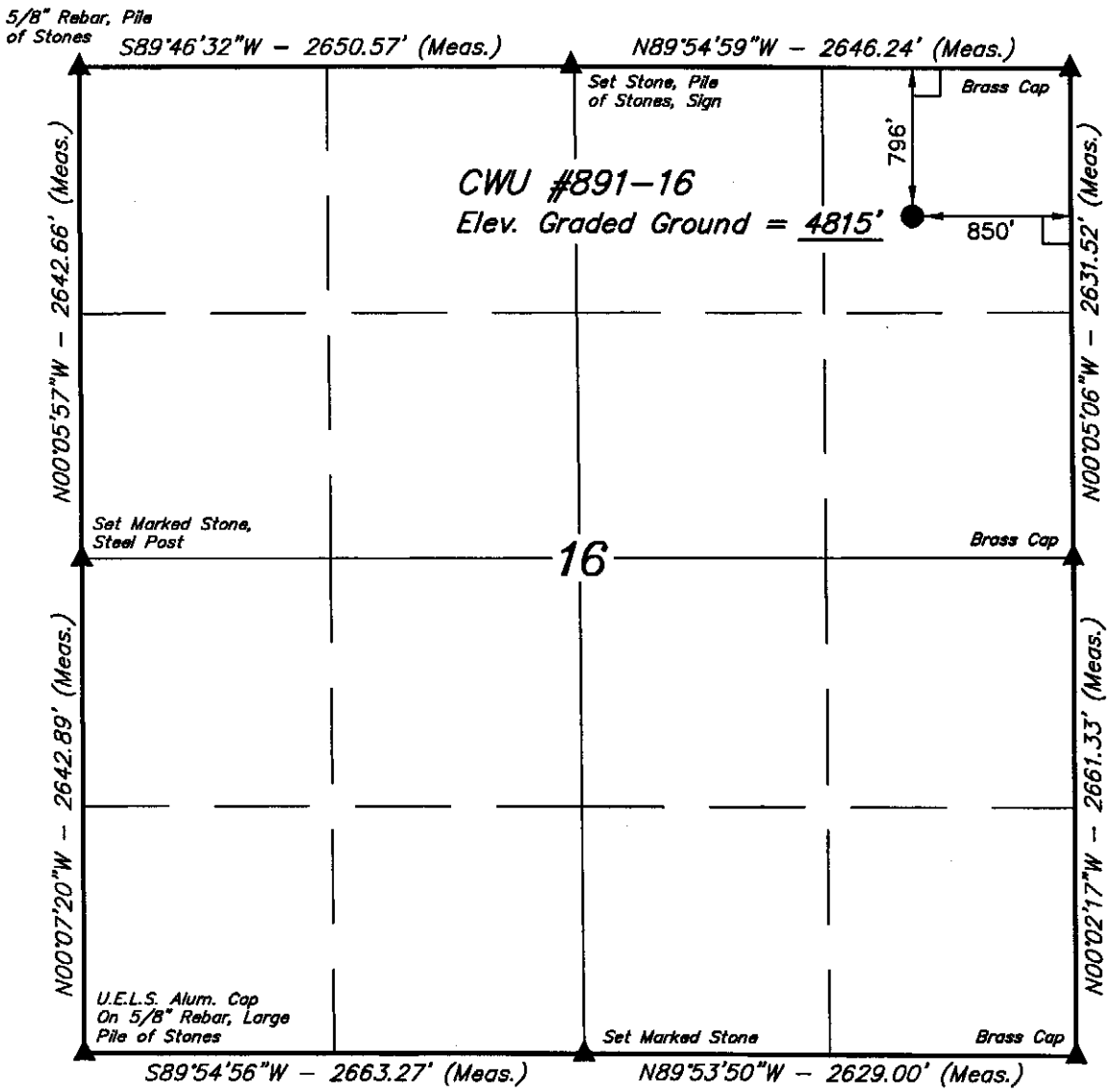
(This space for State use only)

Federal Approval of this
Action is Necessary

COPY SENT TO OPERATOR
Date: 9-21-04
Initials: CHD

(5/2000) (See Instructions on Reverse Side)

T9S, R22E, S.L.B.&M.

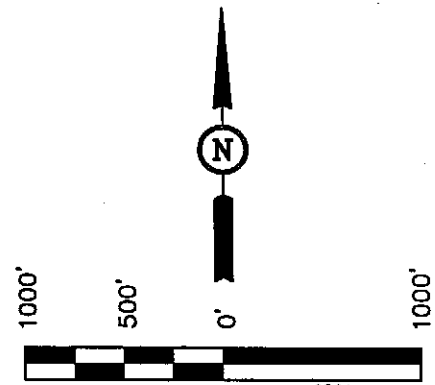


EOG RESOURCES, INC.

Well location, CWU #891–16, located as shown in the NE 1/4 NE 1/4 of Section 16, T9S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

REVISED: 08–05–04 D.COX

LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(NAD 27)

LATITUDE = 40°02'28.03" (40.041119)

LONGITUDE = 109°26'16.32" (109.437867)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789–1017

SCALE: 1" = 1000'		DATE SURVEYED: 12–18–03	DATE DRAWN: 01–06–04
PARTY: K.K. G.M. D.R.B.		REFERENCES: G.L.O. PLAT	
WEATHER: COLD		FILE: EOG RESOURCES, INC.	

EIGHT POINT PLAN

CHAPITA WELLS UNIT 891-16
NE/NE, SEC. 16, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	DEPTH (KB)
Green River	1,601'
Wasatch	4,950'
North Horn	6,836
Island	7,475'
KMV Price River	7,687'
KMV Price River Middle	8,337'
KMV Price River Lower	9,188'
Sego	9,639'
KMV Castlegate	9,787'
Base Castlegate SS	10,019'
KMV Blackhawk	10,220'

EST. TD: 10,620 Anticipated BHP 4600 PSI

3. **PRESSURE CONTROL EQUIPMENT:** A 5M BOP will be used on the Production Hole only. (See attached BOP Diagram), Pressure Control Equipment will not be used on the Surface Hole.

4. CASING PROGRAM:

							MINIMUM SAFETY FACTOR		
HOLE SIZE	INTERVAL	LENGTH	SIZE	WEIGHT	GRADE	THREAD	COLLAPSE	BURST	TENSILE
20"	0' - 45'+/- GL	45'+/-	13 3/8"	48.0 #	H-40	ST&C	770 PSI	1730 PSI	322,000#
12 1/4"	45' - 2300'+/- KB	2300' +/-	9 5/8"	36.0 #	J-55	ST&C	2020 PSI	3520 PSI	394,000#
7 7/8"	2300' – TD+/-KB	10,620'+/-	4 1/2"	11.6 #	N-80	LT&C	6350 PSI	7780 PSI	223,000#

The 12 ¼" Intermediate hole will be drilled to a total depth of 200' below the base of the Green River lost circulation zone and 9 5/8" casing will be set to that depth. Actual setting depth of the 9 5/8" casing may be less than 2300' in this well.
All casing will be new or inspected.

5. Float Equipment:

CONDUCTOR HOLE PROCEDURE (0-45' Below GL):
None

SURFACE HOLE PROCEDURE (45'-2300'):
Guide Shoe
Insert Float Collar (PDC drillable)
Cents.: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface.

PRODUCTION HOLE PROCEDURE 2300'-TD:
FS, 1 joint of casing, FC, and balance of casing to surface.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 891-16
NE/NE, SEC. 16, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

6. MUD PROGRAM

CONDUCTOR HOLE PROCEDURE (0-45' Below GL):
Dry or light mud as needed to support drilling by Bucket Rig.

SURFACE HOLE PROCEDURE (45'-2300'):
Air, Air Mist and Water (circulate through reserve pit) with Gel/LCM sweeps.

PRODUCTION HOLE PROCEDURE 2300'-TD:
2300'- 4500' Water (circulate through reserve pit) with Gel/LCM sweeps.

4500'- 6900' Close in mud system. "Mud up" with **6.0 ppb** Diammonium Phosphate (DAP). Drill with DAP water, POLYPLUS for viscosity and hole cleaning, adding KLA-GARD B for supplemental inhibition. Also sweep hole periodically w/ Durogel / LCM sweeps to clean the hole and seal loss zones. Add additional LCM as hole dictates. Mud weight and vis as needed, water loss – no control.

6900'- TD Discontinue KLA-GARD B. Utilize POLYPAC-R for fluid loss control. Maintain **5.5 ppb** DAP. **Do not mix caustic or lime.** Maintain 7.5-8.5 pH. Weight up system and add vis as hole conditions require. Run LCM sweep periodically to seal off loss zones or more often as hole dictates. Water loss: 20 cc's maximum. Expect increasing gas shows requiring heavier mud weights from top of Island onward. Treat CO_2 contamination with DESCO CF and OSIL (Oxygen scavenger) if mud properties dictate.

7. VARIANCE REQUESTS:

A. EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line (Where possible, a straight run blooie line will be used).

B. EOG Resources, Inc. requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the blooie line. (Not required on aerated water system).

C. EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be 75' in length.

8. EVALUATION PROGRAM:

Logs: Schlumberger Platform Express TD – Surface Casing, with Di-pole Sonic from TD to surface in 1 run.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 891-16
NE/NE, SEC. 16, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

CONDUCTOR HOLE PROCEDURE (0-45' Below GL):
Cement to surface with Redi-Mix cement

SURFACE HOLE PROCEDURE (45'-2300'+/-):

Option #1: Well circulates or drills with air.

Tail: 500' of Class 'G' mixed at 15.8 ppg w/ 2% CaCl2 & 0.25 pps Flocele + 35% Excess or Type 5 Cement mixed at 15.6 ppg w/ 2% CaCl2 & 0.25 pps Flocele + 35% Excess.

Lead: Hi-Fill Cement mixed at 11 ppg with 16% Gel, 10#/sx Gilsonite, 3% salt, 3#/sx GR-3 and 0.25 #/sx Flocele plus 35% Excess to get cement returns to surface.

Option #2: Well does not circulate.

Class 'G' cement mixed at 15.8 ppg w/ 2% CaCl2 & 0.25 pps Flocele + 35% Excess or Type % 5 Cement mixed at 15.6 ppg w/ 2% CaCl2 & 0.25 pps Flocele + 35% Excess to 100' above the lost circulation zone and top out with same with 3-4% CaCl2 to get cement returns to surface.

PRODUCTION HOLE PROCEDURE 2300'-TD:

Lead: 110 sks 35:65 Poz G w/ 4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant), 0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.15% D13 (Retarder), 0.25 pps D29 (cello flakes), mixed at 13.0 ppg, 1.73 cu. ft./sk., 9.06 gps water

Tail: 190 sks: 50:50 Poz G w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.15% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 cu. ft./sk., 5.9 gps water.

10. ABNORMAL CONDITIONS:

SURFACE HOLE (45'-2300')
Potential Problems: Lost circulation below 1800' and minor amounts of gas may be present.

PRODUCTION HOLE 2300'-TD
Potential Problems: Sloughing shales and key seat development are possible in the Wasatch Formation. CO_2 contamination in the mud is possible in the Price River (Mesa Verde).

EIGHT POINT PLAN

CHAPITA WELLS UNIT 891-16
NE/NE, SEC. 16, T9S, R22E, S.L.B.&M.
UINTAH COUNTY, UTAH

11. STANDARD REQUIRED EQUIPMENT:

A. Choke Manifold
B. Kelly Cock
C. Stabbing Valve
D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

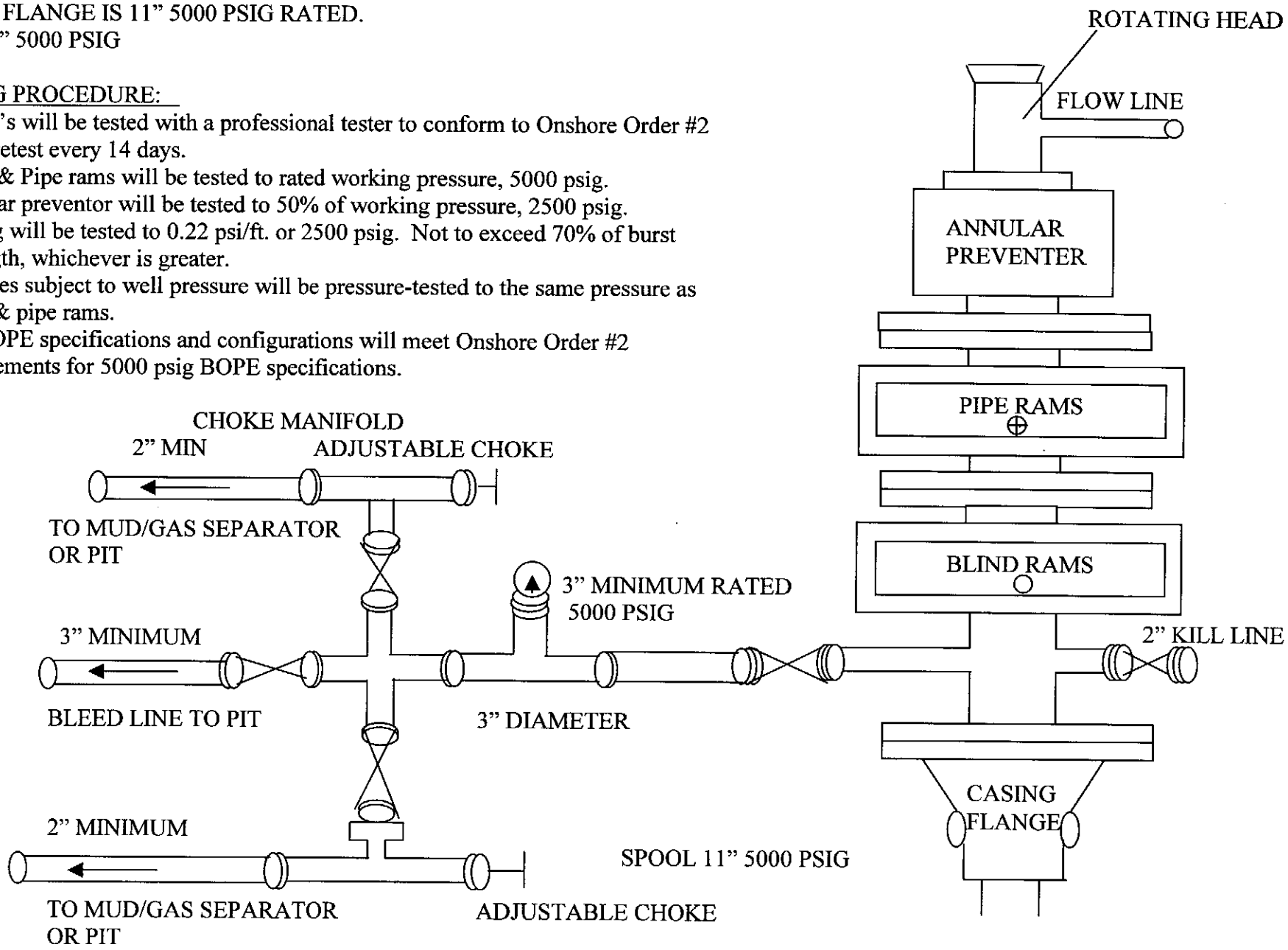
(Attachment: BOP Schematic Diagram)

5000 PSIG DIAGRAM

ANNULAR PREVENTOR AND BOTH RAMS ARE 5000 PSIG RATED.
CASING FLANGE IS 11" 5000 PSIG RATED.
BOPE 11" 5000 PSIG

TESTING PROCEDURE:

1. BOPE's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 5000 psig.
3. Annular preventor will be tested to 50% of working pressure, 2500 psig.
4. Casing will be tested to 0.22 psi/ft. or 2500 psig. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be pressure-tested to the same pressure as blind & pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 5000 psig BOPE specifications.



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3078

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE INDIAN TRIBE

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: CHAPITA WELLS UNIT

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: CHAPITA WELLS UNIT 891-16

2. NAME OF OPERATOR: EOG RESOURCES, INC.

9. API NUMBER: 4304735679

3. ADDRESS OF OPERATOR: P.O. BOX 1910 CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER: (435) 789-4120

10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 796' FNL, 850' FEL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 16 9S 22E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Extension Request
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. requests that the APD for the subject well be extended for one year.

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 06-06-05
By:

COPY SENT TO OPERATOR
Date: 6-2-05
Initials: CHD

NAME (PLEASE PRINT) Ed Trotter TITLE Agent

SIGNATURE Ed Trotter DATE 5/28/2005

(This space for State use only)

RECEIVED
JUN 01 2005

(5/2000) (See Instructions on Reverse Side)

[redacted]

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 4304735679
Well Name: CHAPITA WELLS UNIT 891-16
Location: 796' FNL, 850' FEL, NENE, SEC. 16, T9S, R22E
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 6/7/2004

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐No☑

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐No☑

Has the approved source of water for drilling changed? Yes☐No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐No☑

Is bonding still in place, which covers this proposed well? Yes☑No☐

Signature

5/28/2005
Date

Title: Agent

Representing: EOG RESOURCES, INC.

RECEIVED
JUN 01 2005

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: **EOG RESOURCES INC**

Well Name: **CWU 891-16**

Api No: **43-047-35679** Lease Type: **STATE**

Section **16** Township **09S** Range **22E** County **UINTAH**

Drilling Contractor **ROCKY MOUNTAIN DRLG** RIG # **1**

SPUDDED:

Date **05/04/06**

Time **6:00 PM**

How **DRY**

Drilling will Commence:

Reported by **DALL COOK**

Telephone # **(435) 828-3630**

Date **05/05/2006** **Signed** **CHD**

FORM 6

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

ENTITY ACTION FORM

Operator: EOG RESOURCES
Operator Account Number: N 9550
Address: P.O. BOX 1815
city VERNAL
state UT zip 84078
Phone Number: (435) 781-9111

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-36694	CHAPITA WELLS UNIT 950-30		SWSW	30	9S	23E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
D	99999	13918	5/3/2006			5/11/06	

Comments: PRRV = MVRD — K

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-35681	CHAPITA WELLS UNIT 889-16		NESW	16	9S	22E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
D B	99999	13650	5/4/2006			5/11/06	

Comments: BLKHK = MVRD — K

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
43-047-35679	CHAPITA WELLS UNIT 891-16		NENE	16	9S	22E	UINTAH
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
D B	99999	13650	5/4/06			5/11/06	

Comments: BLKHK = MVRD — K

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Kaylene R. Gardner
Name (Please Print)

Signature

Regulatory Assistant
Title

5/10/2006
Date

(5/2000)

RECEIVED
MAY 10 2006
DIV. OF OIL, GAS & MINING

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML 3078

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE INDIAN TRIBE

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: CHAPITA WELLS UNIT

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: CHAPITA WELLS UNIT 891-16

2. NAME OF OPERATOR: EOG RESOURCES, INC.

9. API NUMBER: 43-047-35679

3. ADDRESS OF OPERATOR: P.O. BOX 1815 CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER: (435) 789-0790

10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 796' FNL 850' FEL 40.04113 LAT 109.43796 LON

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 16 9S 22E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☑ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER:
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. requests authorization for disposal of produced water from the referenced well to any of the following locations.

1. Natural Buttes Unit 21-20B SWD
2. Ace Disposal
3. RN Industries

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT) Kaylene R. Gardner TITLE Regulatory Assistant

SIGNATURE DATE 5/10/2006

(This space for State use only)

RECEIVED
MAY 11 2006
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML 3078

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE INDIAN TRIBE

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: CHAPITA WELLS UNIT

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: CHAPITA WELLS UNIT 891-16

2. NAME OF OPERATOR: EOG RESOURCES, INC.

9. API NUMBER: 43-047-35679

3. ADDRESS OF OPERATOR: P.O. BOX 1815 CITY VERNAL STATE UT ZIP 84078

PHONE NUMBER: (435) 789-0790

10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 796' FNL 850' FEL 40.04113 LAT 109.43796 LON

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 16 9S 22E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: _____	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: WELL SPUD
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. spud a 20" surface hole at the referenced location 5/4/2006 at 6:00 p.m. Dall Cook, representative for EOG, notified Michael Lee of the Vernal BLM office and Carol Daniels of the Utah Division of Oil Gas and Mining of the spud 5/4/2006 @ 5:30 p.m.

NAME (PLEASE PRINT) Kaylene R. Gardner TITLE Regulatory Assistant

SIGNATURE _____ DATE 5/10/2006

(This space for State use only)

RECEIVED
MAY 11 2006
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML 3078

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE INDIAN TRIBE

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: CHAPITA WELLS UNIT

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: CHAPITA WELLS UNIT 891-16

2. NAME OF OPERATOR: EOG RESOURCES, INC.

9. API NUMBER: 43-047-35679

3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 824-5526

10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 796' FNL 850' FEL 40.04113 LAT 109.43796 LON

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 16 9S 22E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: Change tank size
_____	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	_____

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests permission to set two (2) 400 bbl vertical condensate tanks and attaching piping on the referenced location.

NAME (PLEASE PRINT) Mary A. Maestas TITLE Operations Clerk

SIGNATURE Mary A. Maestas DATE 7/26/2006

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only

JUL 28 2006

(5/2000) (See Instructions on Reverse Side)

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3078

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE INDIAN TRIBE

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: CHAPITA WELLS UNIT

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER _____

8. WELL NAME and NUMBER: CHAPITA WELLS UNIT 891-16

2. NAME OF OPERATOR: EOG RESOURCES, INC.

9. API NUMBER: 43-047-35679

3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 824-5526

10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 796' FNL 850' FEL 40.04113 LAT 109.43796 LON

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 16 9S 22E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start: _____	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion: _____	☐ CHANGE WELL STATUS	☑ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☐ OTHER: _____
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The referenced well was turned to sales on 8/18/2006. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant

SIGNATURE Mary A. Maestas DATE 8/21/2006

(This space for State use only)

RECEIVED
AUG 23 2006
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

WELL CHRONOLOGY REPORT

Report Generated On: 08-21-2006

Well Name	CWU 891-16	**Well Type**	DEVG	**Division**	DENVER
Field	CHAPITA WELLS DEEP	**API #**	43-047-35679	**Well Class**	1SA
County, State	UINTAH, UT	**Spud Date**	06-22-2006	**Class Date**	
Tax Credit	N	**TVD / MD**	10,620/ 10,620	**Property #**	053880
Water Depth	0	**Last CSG**	4.5	**Shoe TVD / MD**	10,606/ 10,606
KB / GL Elev	4,829/ 4,815				
Location	Section 16, T9S, R22E, NENE, 796 FNL & 850 FEL				

Event No	1.0	**Description**	DRILL & COMPLETE		
Operator	EOG RESOURCES, INC	**WI %**	50.0	**NRI %**	43.5

AFE No	302628	**AFE Total**	2,211,500	**DHC / CWC**	1,175,600/ 1,035,900
Rig Contr	TRUE	**Rig Name**	TRUE #9	**Start Date**	06-15-2004
				Release Date	07-04-2006

06-15-2004 **Reported By**

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0
Cum Costs: Drilling	$0	**Completion**	$0	**Well Total**	$0

MD	0	**TVD**	0	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA (MOVED LOCATION BY SUNDRY 8/30/04) 796' FNL & 850' FEL (NE/NE) SECTION 16, T9S, R22E UINTAH COUNTY, UTAH LAT 40.041119, LONG 109.437792 (NAD 27) TRUE RIG #9 TD: 10,620' MESAVERDE DW/GAS CHAPITA WELL DEEP PROSPECT DD&A FIELD: CHAPITA DEEP NATURAL BUTTES FIELD LEASE: ML-3078 ELEVATION: 4815.2' NAT GL, 4814.7' PREP GL (DUE TO ROUNDING 4815' IS THE PREP GL), 4829' KB (14') EOG WI 50%, NRI 43.5%

05-05-2006 **Reported By** ED TROTTER

DailyCosts: Drilling	$37,916	**Completion**	$0	**Daily Total**	$37,916

Cum Costs: Drilling $37,916 **Completion** $0 **Well Total** $37,916

MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: WO BUCKET RIG

Start	End	Hrs	Activity Description
06:00	06:00	24.0	4815' NAT GL, CUT AT STAKE GRADE.

MI CRAIG'S ROUSTABOUT SERVICE. BUILD ACCESS ROAD & LOCATION. LINED RESERVE PIT. WO BUCKET RIG.

05-17-2006 **Reported By** COOK/BARNES

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0

Cum Costs: Drilling $37,916 **Completion** $0 **Well Total** $37,916

MD 40 **TVD** 40 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: WO AIR RIG

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU ROCKY MOUNTAIN DRILLING BUCKET RIG. SPUD WELL @ 6:00 PM, 5/4/2006. DRILLED 20" HOLE TO 40". RAN 40' OF 14", CONDUCTER PIPE. CEMENTED CONDUCTER TO SURFACE WITH READY MIX CEMENT.

DALL COOK NOTIFIED MIKE LEE, BLM & CAROL DANIELS, UDOGM OF WELL SPUD, ON 5/4/2006 @ 5:30 PM.

06-09-2006 **Reported By** BARNES

DailyCosts: Drilling $214,967 **Completion** $0 **Daily Total** $214,967

Cum Costs: Drilling $252,883 **Completion** $0 **Well Total** $252,883

MD 2,541 **TVD** 2,541 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU CRAIGS AIR RIG # 2, DRILLED 12-1/4" HOLE TO 2527'. ENCOUNTERED NO WATER. RAN 56 JTS (2462.70') OF 9-5/8", 36.0#/FT, J-55, ST&C CASING WITH WEATHERFORD GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2476' KB. RAN 200' OF 1" PIPE DOWN BACK SIDE. RDMO CRAIG'S AIR RIG.

RU BIG 4 CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 160 BBLS FRESH WATER & 35 BBLS GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 230 SX (156 BBLS) OF PREMIUM LEAD CEMENT W/16% GEL, 10#/SX GILSONITE, 3#/SX GR-3, 3% SALT & ¼ #/SX FLOCELE. MIXED LEAD CEMENT @ 11.0 PPG W/YIELD OF 3.82 CFS. TAILED IN W/175 SACKS (36 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/SX FLOCELE. MIXED TAIL CEMENT TO 15.8 PPG W/YIELD OF 1.15 CFS. DISPLACED CEMENT W/185 BBLS FRESH WATER. BUMPED PLUG W/800# @ 8:47 PM, 5/12/2006. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. BROKE CIRCULATION 35 BBL INTO DISPLACEMENT. CIRCULATED 30 BBLS OF LEAD CEMENT TO PIT. HOLE FELL BACK WHEN PLUG BUMPED.

TOP JOB #1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 100 SX (20 BBLS) OF PREMIUM CEMENT W/3% CaCl2 & ¼#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED AND CIRCULATED APPROXIMATELY 1/2 BBL LEAD CEMENT TO PIT. HOLE FELL BACK WHEN PUMPING STOPPED. WOC 1 HR 25 MIN.

TOP JOB #2: MIXED & PUMPED 180 SX (36 BBLS) OF PREMIUM CEMENT W/3% CaCl2 & ¼#/SX FLOCELE. MIXED CEMENT @ 15.8 PPG W/YIELD OF 1.15 CF/SX. HOLE FILLED & STOOD FULL, 5 BBL TO PIT. RD BIG 4 CEMENTERS.

PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY.

MIRU SLICK LINE UNIT & SURVEY TOOL. RAN IN HOLE & TAGGED @ 2360' PICK UP TO 2355' & TOOK SURVEY, ¾ DEGREE.

DALL COOK NOTIFIED MIKE LEE W/BLM AND CAROL DANIELS W/UDOGM @ 5:30 PM ON 5/4/06 FOR THE SPUD.

JERRY BARNES NOTIFIED RICHARD POWELL W/UDOGM OF THE SURFACE CASING & CEMENT JOB ON 5/11/06 @ 7:50 PM.

SURVEY @ 2362', 2 DEG.

06-19-2006 **Reported By** KENT DEVENPORT

DailyCosts: Drilling	$12,452	**Completion**	$0	**Daily Total**	$12,452
Cum Costs: Drilling	$265,335	**Completion**	$0	**Well Total**	$265,335

MD	2,541	**TVD**	2,541	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: RIGGING DOWN ON CWU 890-16

Start	End	Hrs	Activity Description
16:00	22:00	6.0	RIGGIG DOWN ON "CHAPITA WELLS UNIT 890-16"

PREPARING TO MOVE TO "CHAPITA WELLS UNIT 891-16"

RIG RELEASED TO CHAPITA WELLS UNIT 891-16 @ 16:00 HOURS

SET OUT TUBULARS FOR INSPECTION

PREPARE MAST FOR LOWERING,

RIGGED DOWN 15%
RIG MOVED 05% (HAULING MUD MATERIAL AND TUBULARS TO NEW LOCATION.
CAMP 0% RIGGED DOWN OR MOVED.

TRANSFER 2,600 GALLONS OF DYED DIESEL @ $2.72 PER GALLON
TRANSFER 852.56' (THREADS OFF), 4.5" x 11.6# x P-110 x LTC CASING

CREWS FULL, NO DOWN TIME LOST TO RIG REPAIR
NO INCIDENTS OR ACCIDENTS REPORTED

06-20-2006 **Reported By** KENT DEVENPORT

DailyCosts: Drilling	$19,296	**Completion**	$0	**Daily Total**	$19,296
Cum Costs: Drilling	$284,631	**Completion**	$0	**Well Total**	$284,631

MD	2,541	**TVD**	2,541	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: RDRT

Start	End	Hrs	Activity Description
07:00	17:00	10.0	RIGGING DOWN AND MOVING FROM CWU 890-16 TO CWU 891-16. LENGTH OF MOVE 0.25 MILES NO INCIDENTS OF ACCIDENTS REPORTED SAFETY MEETING WITH DRILLERS ONLY: GENERAL SAFETY COVERED (CONDUCTED BY EOG SAFETY OFFICER, KEN PHILIPS) INSPECT BHA TUBULARS RIGGED DOWN 20% (MAST ON STAND 09:30 HOURS) RIG MOVED 10% (FORK LIFT ITEMS TO LOCATION) CAMP 100% MOVED AND RIGGED UP TRUCKS AND CRANE DUE 07:00 HRS, JUNE 20, 2006 CREWS FULL AND ALL CREWS WORKING ON RIG MOVE NO LOST TIME DUE TO MAINTENANCE OR BREAK DOWNS

06-21-2006 **Reported By** KENT DEVENPORT

DailyCosts: Drilling	$18,373	**Completion**	$0	**Daily Total**	$18,373
Cum Costs: Drilling	$303,004	**Completion**	$0	**Well Total**	$303,004

MD	2,541	**TVD**	2,541	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: MOVING AND RIGGING UP

Start	End	Hrs	Activity Description
07:00	18:00	11.0	MOVING FROM CWU 890-16 AND RIGGING UP ON CWU 891-16: RIGGED DOWN 100% RIG MOVED 95% RIGGED UP 50% MAST ON RIG FLOOR 1 TRUCK AND CRANE REMAIN, ESTIMATE 3 HOURS TILL RELEASE OF EQUIPMENT CONTACTED CADE TAYLOR W/BLM CONCERNING BOP TEST JUNE 22:00 @ 07:00 (LEFT MSG) CONTACTED CAROL DANIELS W/ST OF UT CONCERNING BOP TEST 6/22/06 @ 07:00 (LEFT MSG) CONTACTED UTE TRIBAL CONCERNING BOP TEST 6/22/06 NO INCIDENTS OF ACCIDENTS REPORTED HELD SAFETY MEETING CONDUCTED BY KEN PHILIPS WITH ALL CREWS AND WESTROC TRANSPORT CREWS FULL, NO DOWN TIME OR MAINTENANCE TO SLOW DOWN THE RIG MOVE ESTIMATED BOP TEST 07:00 6/22/06, SPUD 16:00 6/22/06

06-22-2006 **Reported By** KENT DEVENPORT

DailyCosts: Drilling	$41,055	**Completion**	$0	**Daily Total**	$41,055		
Cum Costs: Drilling	$344,059	**Completion**	$0	**Well Total**	$344,059		
MD 2,541	**TVD** 2,541	**Progress** 0	**Days** 0	**MW** 0.0	**Visc** 0.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: RIGGING UP

Start	End	Hrs	Activity Description
07:00	07:00	24.0	CONTINUE RIGGING UP ON CWU 891-16. MAST IN THE AIR 10:00 HOURS. RECEIVED FRESH WATER AND MUD PIT FLUID FOR SPUD. RIG 100% MOVED RIG 90% RIGGED UP CAMP 100% MOVED AND RIGGED UP BOP TEST SCHEDULED FOR JUNE 22 @ 07:00 HRS FUEL ON HAND 10,400 GALS, USED 200 GALS NO INCIDENTS OR ACCIDENTS REPORTED SAFETY MEETING: GENERAL RIG UP/100% TIE OFF CREW ALL FULL, NO LOST TIME DUE TO MAINTENANCE OR DOWN TIME

06-23-2006 **Reported By** KENT DEVENPORT

DailyCosts: Drilling	$32,304	**Completion**	$0	**Daily Total**	$32,304		
Cum Costs: Drilling	$376,363	**Completion**	$0	**Well Total**	$376,363		
MD 3,540	**TVD** 3,540	**Progress** 1,013	**Days** 1	**MW** 8.4	**Visc** 26.0		
Formation :	**PBTD :** 0.0	**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	07:00	1.0	NIPPLE UP AND FUNCTION BOPe. PREPARE FOR BOP TEST. RIG ON DAY WORK 06:00 HRS, JUNE 22, 06.
07:00	13:00	6.0	HOLD PRE JOB SAFETY MEETING WITH CREWS AND TESTER. TEST BOP EQUIPMENT W/B&C QUICK TEST TO 250 PSI LOW AND 5,000 PSI HIGH ON UPPER/LOWER KELLY VALVE, INSIDE BOP, SAFETY VALVE, PIPE RAMS, INSIDE MANUAL CHOKE LINE VALVE, HCR VALVES VALVE, BLIND RAMS, KILL LINE VALVE, OUTSIDE MANIFOLD VALVE FOR 5 MINUTES LOW PRESSURE AND 10 MINUTES HIGH PRESSURE. TEST ANNULAR PREVENTER W/250 PSI LOW PRESSURE AND 2,500 PSI HIGH PRESSURE. TEST 9.625" CASING TO 1,500 PSI FOR 30 MINUTES. 50 MINUTE DELAY WHILE RECOVERING ROTATING HEAD "O" RING FROM STACK.
13:00	13:30	0.5	INSTALL WEAR BUSHING IN WELLHEAD.
13:30	18:00	4.5	PICK UP BHA AND DRILL PIPE TO 2400' TAG FILL ON TOP OF FLOAT COLLAR. MUD LOGIC (ANDY ORR) RIGGED UP AND OPERATIONAL 6/22/06.
18:00	20:00	2.0	WASH FROM 2400 TO 2435'. DRILL FLOAT CEMENT AND SHOE TO 2676'. WASH TO BOTTOM OF 2527' AND DRILL 15' OF FORMATION TO 2442'.
20:00	20:30	0.5	CICRCULATE AND PERFORM FIT TEST WITH 8.4 PPG MUD IN HOLE. WELL HELD 385 PSI PRESSURE FOR AN EQUIVALENT MUD WEIGHT OF 11.3 PPG.
20:30	03:00	6.5	DRILLING 7.875" HOLE FROM 2542' TO 3288', 746' @ 115 FPH, WOB 10/15, 55 RPM ROTARY, 63 RPM MOTOR, 120 SPM #1 PUMP, PUMP PRESS 1250 PSI, MUD WEIGHT 8.4 PPG.
03:00	03:30	0.5	RUN WIRE LINE SURVEY @ 3200', 1.75 DEGREES.
03:30	06:00	2.5	DRILLING 7.875" HOLE FROM 3288' TO 3540', 252' @ 101 FPH, 15 WOB, 55 RPM ROTARY, 63 RPM MOTOR. 120 SPM #1 PUMP, 1250 PSI PUMP PRESS. MUD WEIGHT 8.4 PPG

FUEL ON HAND 9600 GALLS, USED 800 GALS

NO INCIDENTS OR ACCIDENTS REPORTED

SAFETY MEETING: HAZARDS OF TESTING BOPe/PICKING UP BHA\DRILL PIPE/HAZARDS OF MAKING A CONNECTION

BG GAS 2300U, CONN GAS 3000U, HIGH GAS 3891U

SHOWS: 2961'-2982'

SHALE 80%, SANDSTONE 10%, LIME STONE 10%

TOP OF GREEN RIVER 2980'

06:00 18.0 SPUD 7 7/8" HOLE 20:30 HRS, 6/22/06.

06-24-2006 **Reported By** KENT DEVENPORT

DailyCosts: Drilling	$33,866	**Completion**	$0	**Daily Total**	$33,866
Cum Costs: Drilling	$410,230	**Completion**	$0	**Well Total**	$410,230

MD	5,247	**TVD**	5,247	**Progress**	1,707	**Days**	2	**MW** 8.6	**Visc** 30.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING 7.875" HOLE

Start	End	Hrs	Activity Description
06:00	07:30	1.5	DRILLING 7.875" HOLE FROM 3540' TO 3693', 153' @ 102 FPH, 15 WOB, 50 RPM ROTARY, 63 RPM MOTOR, 120 SPM #1 PUMP, 1250 PSI PUMP PRESS. MUD WEIGHT 8.7 PPG.
07:30	08:00	0.5	RIG SERVICE. CHECK FLOOR VALVES. CHECK CROWN-O-MATIC. FUNCTION TESTED PIPE RAMS AND HCR. HOLD BOP DRILL 1 MINUTE.
08:00	12:00	4.0	DRILLING 7.875" HOLE FROM 3693' TO 4066', 373' @ 94 FPH, 15 WOB, 50 RPM ROTARY, 63 RPM MOTOR, 120 SPM #1 PUMP, 1250 PSI PMP PRESS. MUD WEITH 8.5 PPG.
12:00	12:30	0.5	RUN WIRE LINE SURVEY @ 3983', 2 DEGREES.
12:30	00:00	11.5	DRILLING 7.875" HOLE FROM 4066' TO 4910', 844' @ 77 FPH, 15 WOB, 50 RPM ROTARY, 63 RPM MOTOR, 120 SPM #1 PUMP, 1300 PSI PUMP PRESS. MUD WEIGHT 8.6 PPG.
00:00	00:30	0.5	GENERATOR WEINT DOWN, ATTEMPTING TO PUT BACK ON LINE.
00:30	02:00	1.5	DRILLING 7.875" HOLE FROM 4910' TO 4997', 87' @ 58 FPH, 15 WOB, 50 RPM ROTARY, 63 RPM MOTOR, 120 SPM #1 PUMP, 1300 PSI PUMP PRESS. MUD WEIGHT 8.6 PPG.
02:00	02:30	0.5	RUN WIRE LINE SURVEY @ 4913', 1.75 DEGREES.
02:30	06:00	3.5	DRILLING 7.875" HOLE FROM 4997' TO 5247', 250' @ 72 FPH, 15 WOB, 50 RPM ROTARY, 63 RPM MOTOR, 120 SPM #1 PUMP, 1350 PSI PUMP PRESS. MUD WEIGHT 8.6 PPG.

FUEL ON HAND 8700 GALS, USED 900 GALS

NO INCIDENTS OR ACCIDENTS REPORTED

SAFETY MEETING: RUNNING WIRE LINE SURVEY/FUNCTIONING THE BOPe/WIRE LINE MACHINE (MATHEY)

BG GAS 2500U, CONN GAS 4700U, HIGH GAS 5823U

SHOW 4487'-4511'; 4549'-4572'

SHALE 60%, LIME STONE 30% (GREEN RIVER), SANDSTONE 10%

TOP OF WASATCH 5060'

06-25-2006 **Reported By** KENT DEVENPORT

DailyCosts: Drilling	$34,211	**Completion**	$0	**Daily Total**	$34,211
Cum Costs: Drilling	$444,441	**Completion**	$0	**Well Total**	$444,441

MD	6,493	TVD	6,493	Progress	1,246	Days	3	MW	9.0	Visc	30.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING 7.875" HOLE

Start	End	Hrs	Activity Description
06:00	09:00	3.0	DRILLING 7.875" HOLE FROM 5247' TO 5431', 184' @ 62 FPH, 15/17 WOB, 53 RPM ROTARY, 64 RPM MOTOR, 120 SPM #1 PUMP, 1500 PSI PUMP PRESS. MUD WEIGHT 8.8 PPG.
09:00	09:30	0.5	RIG SERVICE. CHECK FLOOR VALVES & CROWN-O-MATIC. FUNCTION TESTED PIPE RAMS.
09:30	06:00	20.5	DRILLING 7.875" HOLE FROM 5431' TO 6493', 1,062 @ 52 FPH, 17/20 WOB, 50/53 RPM ROTARY, 60/63 RPM MOTOR, 116/120 SPM #1 PUMP, 1450/1600 PSI PUMP PRESS. MUD WEIGHT 8.9 TO 9.1 PPG.

FULE ON HAND 7700 GALS, USED 1000 GALS

NO INCIDENTS OR ACCIDENTS REPORTED

MEETINGS HELD: PERFORMING A SAFE RIG SERVICE/CATCHING SAMPLES SAFELY/USE OF MSDS SHEET

BG GAS 300U, CONN GAS 2500U, HIGH GAS 3129

SHOWS: 6071'-6111'

TOP OF WASATCH 5060'

SHALE 50%, SANDSTONE 30%, RED SHALE 15%

06-26-2006 **Reported By** KENT DEVENPORT

DailyCosts: Drilling	$41,492	Completion	$0	Daily Total	$41,492
Cum Costs: Drilling	$485,933	Completion	$0	Well Total	$485,933

MD	7,053	TVD	7,053	Progress	560	Days	4	MW	9.4	Visc	30.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING 7.875" HOLE

Start	End	Hrs	Activity Description
06:00	10:00	4.0	DRILLING 7.875" HOLE FROM 6493' TO 6648', 155' @ 39 FPH, 20 WOB, 50 RPM ROTARY, 63 RPM MOTOR, 120 SPM #1 PUMP, 1500 PSI PUMP PRESS. MUD WEIGHT 9.2/9.3 PPG.
10:00	10:30	0.5	RIG SERVICE. FUNCTION TESTED ANNULAR PREVENTER, OPERATE SUPER CHOKE. CHECK CROWN-O-MATIC.
10:30	17:30	7.0	DRILLING 7.875" HOLE FROM 6648' TO 6835', 187' @ 27 FPH, 20/25 WOB, 50 RPM ROTARY, 63 RPM MOTOR, 120 SPM #1 PUMP, 1500/1550, MUD WEIGHT 9.3/9.4 PPG.
17:30	18:00	0.5	PUMP SLUG DROP SURVEY.
18:00	21:30	3.5	TRIP OUT OF THE HOLE WITH BIT #1, CHANGE OUT JARS. RECOVER SURVEY 2 DEGREES @ 6750'.
21:30	23:30	2.0	TRIP IN HOLE WITH BIT #2, TO 6795', NO HOLE PROBLEMS ENCOUNTERED.
23:30	00:00	0.5	WASH 43' TO BOTTOM, 20' OF SOFT FILL.
00:00	06:00	6.0	DRILLING 7.875" HOLE FROM 6835' TO 7053', 218' @ 37 FPH, 18/22 WOB, 50 RPM ROTARY, 66 RPM MOTOR, 118 SPM #1 PUMP, 1550 PSI PUMP PRESS. MUD WEIGHT 9.5/9.6 PPG.

FUEL ON HAND 6900 GALS, USED 800 GALS

NO INCIDENTS OR ACCIDENTS REPORTED

SAFETY MEETING: PROPER PROCEDURE FOR SLINGING PIPE/TRIPPING OUT OF HOLE/TRIPPING IN THE HOLE

BG GAS 200U, CONN GAS 1000U, TRIP GAS 6153U, HIGH GAS 5586 @ 6570

SHOWS 6549'-6590'; 6671'-6722'

SHALE 30%, RED SHALE 10%, SAND STONE 60%

TOP OF "NORTH HORN" 6920'

06-27-2006 **Reported By** KENT DEVENPORT

DailyCosts: Drilling	$41,210	**Completion**	$0	**Daily Total**	$41,210
Cum Costs: Drilling	$527,143	**Completion**	$0	**Well Total**	$527,143

MD	7,715	**TVD**	7,715	**Progress**	662	**Days**	5	**MW**	10.3	**Visc**	34.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	08:00	2.0	DRILLING 7.875" HOLE FROM 7053' TO 7163', 110' @ 55 FPH, 18/22 WOB, 50/52 RPM ROTARY, 62/64 RPM MOTOR, 116/118 SPM #1 PUMP, PUMP PRESSURE 1500/1600, MUD WEIGHT 9.8 PPG.
08:00	08:30	0.5	SERVICE RIG. CHECK CROWN-O-MATIC. FUNCTION TESTED PIPE RAMS. CHECK FLOOR VALVES.
08:30	06:00	21.5	DRILLING 7.875" HOLE FROM 7163' TO 7715', 552' @ 26 FPH, 12/22 WOB, 20/50 RPM ROTARY, 60/64 RPM MOTOR, 112/118 SPM #1 PUMP, PUMP PRESS. 1550/1800 PSI, MUD WEIGHT 10.3+ @ REPORT TIME. HIGH TORQUE DRILLING THROUGH THE ISLAND AND CONTACT POINT WITH THE Kmv PRICE RIVER.

FUEL ON HAND 5900 GALS, USED 1000 GALS

SAFETY MEETING: MIXING MUD AND CHEMICALS/USING THE KELLY SPINNER/WHY A LOCK OUT-TAG OUT SYSTEM

GENERAL SAFETY MEETING HELD WITH ALL EMPLOYEES AND THIRD PARTY CONTRACTORS ON FORK LIFT AND VEHICLE SAFETY ON A DRILLING LEASE AND LEASE ROADS

BG GAS 120U, CONN GAS 900U, HIGH GAS 4380U @ 7535'

SHOWS 7240'-7246'; 7529'-7540'; 7578'-7610'

SHALE 40%, SANDSTONE 50%, SILTSTONE 10%

TOP OF ISLAND 7139', TOP OF Kmv PRICE RIVER 7430'

06-28-2006 **Reported By** KENT DEVENPORT

DailyCosts: Drilling	$46,382	**Completion**	$0	**Daily Total**	$46,382
Cum Costs: Drilling	$573,526	**Completion**	$0	**Well Total**	$573,526

MD	8,156	**TVD**	8,156	**Progress**	441	**Days**	6	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: LD BIT & MUD MOTOR

Start	End	Hrs	Activity Description
06:00	10:00	4.0	DRILLING 7.875" HOLE FROM 7715' TO 7830', 115' @ 29 FPH, 15/20 WOB, 50 RPM ROTARY, 63 RPM MOTOR, 117 SPM #1 PUMP, 1750 PSI PUMP PRESSURE MUD WEIGHT 10.3+.
10:00	10:30	0.5	LUBRICATE RIG. CHECK FLOOR VALVES AND CROWN-O-MATIC.
10:30	02:30	16.0	DRILLING 7.875" HOLE FROM 7830' TO 8156', 326' @ 21 FPH, 20/24 WOB, 50 RPM ROTARY, 63 RPM MOTOR, 117 SPM #1 PUMP, PUMP PRESSURE 1850 PSI. MUD WEIGHT 10.4+.
02:30	03:00	0.5	DROP SURVEY AND PUMP SLUG.
03:00	06:00	3.0	TRIP OUT OF THE HOLE WITH BIT #2. LAY DOWN ROLLER REAMERS. RECOVER SURVEY 2 DEGREES @ 8085'.

FUEL ON HAND 4900 GALS, USED 1000 GALS

NO INCIDENTS OR ACCIDENTS REPORTED

SAFETY MEETING: FORK LIFT PROCEDURES AND SAFETY

BG GAS 130U, CONN GAS 1100U, HIGH GAS 5526' @ 7836'

SHOWS: 7832'-7854'

SANDSTONE 50%, SHALE 40%, SILTSTONE 10%

TOP OF KMV PRICE RIVER 7430'

06-29-2006 **Reported By** DEVENPORT \ HARRIS

DailyCosts: Drilling	$72,338	**Completion**	$0	**Daily Total**	$72,338
Cum Costs: Drilling	$645,864	**Completion**	$0	**Well Total**	$645,864

MD	8,694	**TVD**	8,694	**Progress**	538	**Days**	7	**MW**	10.5	**Visc**	39.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	08:30	2.5	CHANGE MOTOR, PICK UP BIT #3. RUN IN THE HOLE TO 2430'.
08:30	09:30	1.0	SLIP & CUT DRILL LINE.
09:30	11:30	2.0	TRUE MECHANIC ATTEMPTED TO REPAIR THE POSITIONING LOCK ON THE BLOCK, UNABLE TO REPAIR, ORDERED NEW PARTS FOR INSTALLATION AT A LATER TIME. PICK UP KELLY AND FILL PIPE.
11:30	13:00	1.5	CONTINUE TRIP IN HOLE TO 8126'.
13:00	13:30	0.5	WASH TO BOTTOM FROM 8126' TO 8156', ENCOUNTER 20' OF SOFT FILL.
13:30	16:30	3.0	DRILLING 7.875" HOLE FROM 8156' TO 8227', 71' @ 24 FPH, 20/25 WOB, 50 RPM ROTARY, 63 RPM MOTOR, 115 SPM #1 PUMP, 1750 PUMP PRESS. MUD WEIGHT 10.5 PPG.
16:30	17:00	0.5	SERVICE RIG. CHECK CROWN-O-MATIC. FUNCTION TESTED PIPE RAMS.
17:00	06:00	13.0	DRILLING 7.875" HOLE FROM 8227' TO 8694', 467' @ 36 FPH, 18/22 WOB, 50 RPM ROTARY, 65 RPM MOTOR, 118 SPM #1 PUMP, 1950 PSI PUMP PRESS. MUD WEIGHT 10.5 PPG.

FUEL ON HAND 4000 GALS, USED 900 GALS

NO INCIDENTS OR ACCIDENTS REPORTED

SAFETY MEETING: HAZARDS WHEN PICKING UP THE KELLY/DRILLING EXPLAINING THE BLOCKS BEING PERMANENTLY LOCKED/TRIPPING/TEAM WORK

BG GAS 2500U, CONN GAS 3000U, HIGH GAS 5731 @ 8286', TRIP GAS 1640U

SHOWS: 8280'-8294'; 8358'-8411'

SHALE 30%, SANDSTONE 60%, SILTSTONE 10%

06-30-2006 **Reported By** GRINOLDS / HARRIS

DailyCosts: Drilling	$3,286	**Completion**	$0	**Daily Total**	$3,286
Cum Costs: Drilling	$681,744	**Completion**	$0	**Well Total**	$681,744

MD	9,300	**TVD**	9,300	**Progress**	614	**Days**	8	**MW**	10.5	**Visc**	35.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	07:30	1.5	DRILLING FROM 8686' TO 8739'.
07:30	08:00	0.5	SERVICE RIG AND REPLACE GASKET ON STAND PIPE.
08:00	06:00	22.0	DRILLING FROM 8739' TO 9300'.

07-01-2006 **Reported By** KENNY HARRIS/ DOUG GRINOLDS

DailyCosts: Drilling	$3,286	**Completion**	$0	**Daily Total**	$3,286

Cum Costs: Drilling	$740,916	**Completion**	$0			**Well Total**	$740,916		
MD	9,680	**TVD**	9,680	**Progress**	380	**Days**	9	**MW**	10.7	**Visc**	38.0
Formation :		**PBTD :** 0.0		**Perf :**				**PKR Depth :** 0.0			

Activity at Report Time: TRIP OUT

Start	End	Hrs	Activity Description
06:00	09:00	3.0	DRILLING FROM 9300' TO 9350'.
09:00	09:30	0.5	SERVICE RIG. CHECK CROWN SAVER AND FLOOR VALVES.
09:30	04:00	18.5	DRILLING FROM 9350' TO 9680'.
04:00	04:30	0.5	DROP SURVEY AND PUMP SLUG.
04:30	06:00	1.5	TRIP OUT OF HOLE TO 6600'.

NO ACCIDENTS
3 SAFTY MEETINGS
NO ACCIDENTS

BG 4000U, CONN 5800U, HIGH GAS 6321 @ 9333'

07-02-2006 **Reported By** KENNY HARRIS/ DOUG GRINOLDS

DailyCosts: Drilling	$3,286	**Completion**	$0			**Daily Total**	$3,286		
Cum Costs: Drilling	$779,180	**Completion**	$0			**Well Total**	$779,180		
MD	10,085	**TVD**	10,085	**Progress**	405	**Days**	10	**MW**	11.2	**Visc**	41.0
Formation :		**PBTD :** 0.0		**Perf :**				**PKR Depth :** 0.0			

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	10:00	4.0	TRIP FOR BIT. PU 9 BLADE BIT. TRIP IN TO SHOE 2300'.
10:00	11:30	1.5	RIG REPAIR, WORKED ON LOCKING DEVICE FOR BLOCKS.
11:30	13:30	2.0	TRIP IN HOLE TO 9640'. PU KELLY.
13:30	14:00	0.5	WASH/REAM FROM 9640' TO 9680'.
14:00	16:30	2.5	DRILL (TIME) FROM 9680' TO 9723'.
16:30	17:00	0.5	SERVICE RIG.
17:00	06:00	13.0	DRILLING FROM 9723' TO 10085'.

BG GAS 4000U,TRIP GAS 6005U
FORMATION CASTLEGATE

NO ACCIDENTS
FUEL 4900 GAL

07-03-2006 **Reported By** KENNY HARRIS

DailyCosts: Drilling	$3,286	**Completion**	$0			**Daily Total**	$3,286		
Cum Costs: Drilling	$815,478	**Completion**	$0			**Well Total**	$815,478		
MD	10,390	**TVD**	10,390	**Progress**	313	**Days**	11	**MW**	11.1	**Visc**	41.0
Formation :		**PBTD :** 0.0		**Perf :**				**PKR Depth :** 0.0			

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description

06:00	11:00	5.0	DRILLING FROM 10085 TO 10150'.
11:00	11:30	0.5	SERVICE RIG.
11:30	15:00	3.5	DRILLING FROM 10150' TO 10215'.
15:00	15:30	0.5	SURVEY @ 10215', 2 DEGREES.
15:30	00:30	9.0	TRIP TO CHANGE BIT AND RECOVER SURVEY.
00:30	01:00	0.5	WASH/REAM FROM 10185' TO 10215'.
01:00	06:00	5.0	DRILLING FROM 10215' TO 10390'.

NO ACCIDENT
SAFFTY MEETING: CLEANING LIGHT PLANT/TRIPPING PIPE
TEMP 92 DEGREES AND 56 LOW

BG GAS 2000-3000U, TRIP GAS 5107 @ 10215'
INTO BLACKHAWK @ 10211'

07-04-2006 **Reported By** KENNY HARRIS

DailyCosts: Drilling	$3,286	**Completion**	$0	**Daily Total**	$3,286
Cum Costs: Drilling	$857,186	**Completion**	$0	**Well Total**	$857,186

MD	10,620	**TVD**	10,620	**Progress**	230	**Days**	12	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: LD DRILL COLLARS

Start	End	Hrs	Activity Description
06:00	12:00	6.0	DRILLING FROM 10390' TO 10499'.
12:00	12:30	0.5	SERVICE RIG.
12:30	18:30	6.0	DRILLING FROM 10499' TO 10620'. REACHED TD AT 18:30 HRS, 7/3/06.
18:30	19:30	1.0	CIRCULATE/CONDITION MUD FOR SHORT TRIP.
19:30	20:30	1.0	SHORT TRIP 500' TO 10120'.
20:30	21:30	1.0	CIRCULATE FOR LD DRILL PIPE AND RUN CSG.
21:30	22:00	0.5	PUMP PILL AND SAFTY MEETING W/CREW.
22:00	06:00	8.0	LD DRILL PIPE.

NO ACCIDENTS
TEMP HIGH 93 AND LOW 58 DEGREES

TRIP GAS 6632 @ 10620'
BACKGROUND GAS 1500 TO 3000U
TD WELL IN BLACKHAWK
11.5 MUD WEIGHT

07-04-2006 **Reported By** KENNY HARRIS

DailyCosts: Drilling	$3,286	**Completion**	$0	**Daily Total**	$3,286
Cum Costs: Drilling	$857,186	**Completion**	$0	**Well Total**	$857,186

MD	10,620	**TVD**	10,620	**Progress**	230	**Days**	12	**MW**	11.5	**Visc**	41.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: LD DRILL COLLARS

Start	End	Hrs	Activity Description
06:00	12:00	6.0	DRILLING FROM 10390' TO 10499'.
12:00	12:30	0.5	SERVICE RIG.
12:30	18:30	6.0	DRILLING FROM 10499' TO 10620'. REACHED TD AT 18:30 HRS, 7/3/06.
18:30	19:30	1.0	CIRCULATE/CONDITION MUD FOR SHORT TRIP.
19:30	20:30	1.0	SHORT TRIP 500' TO 10120'.
20:30	21:30	1.0	CIRCULATE FOR LD DRILL PIPE AND RUN CSG.
21:30	22:00	0.5	PUMP PILL AND SAFTY MEETING W/CREW.
22:00	06:00	8.0	LD DRILL PIPE.

NO ACCIDENTS
TEMP HIGH 93 AND LOW 58 DEGREES

TRIP GAS 6632 @ 10620'
BACKGROUND GAS 1500 TO 3000U
TD WELL IN BLACKHAWK
11.5 MUD WEIGHT

07-05-2006 **Reported By** KENNY HARRIS

DailyCosts: Drilling	$56,824	**Completion**	$195,539	**Daily Total**	$252,363
Cum Costs: Drilling	$914,010	**Completion**	$195,539	**Well Total**	$1,109,549

MD	10,620	**TVD**	10,620	**Progress**	0	**Days**	13	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: WO COMPLETION

Start	End	Hrs	Activity Description
06:00	07:00	1.0	RU FRANKS CASING AND HELD SAFTY MEETING
07:00	12:00	5.0	RAN 244 JTS (242 FULL JTS + 2 MARKER JTS) OF 4 1/2", 11.6 PPF, P-110, LTC PRODUCTION CASING. RAN AS FOLLOWING: FLOAT SHOE, 1 JT CASING, FLOAT COLLAR, 71 JTS CASING, MARKER JT AT 7469', 67 JTS CASING, MARKER JT AT 4525' AND THEN 103 JTS (SHOULD HAVE BEEN 105 JTS). DTO CASING MANDREL HANGER. RUN CASING TO 10520' AND HIT BOTTOM 85' EARLY.
12:00	14:00	2.0	CIRCULATE OUT GAS BEFORE ATTEMPTING TO WASH TO BOTTOM W/ROTATING HEAD.
14:00	15:00	1.0	ATTEMPT TO WASH/REAM TO BOTTOM WITH NO LUCK.
15:00	16:00	1.0	RD FRANKS AND RU CEMENTERS. SAFETY MEETING W/SCHLUMBERGER CEMENTERS.
16:00	19:00	3.0	CEMENTING WITH SCHLUMBERGER WITH THE FOLLOWING PROPERTIES. TEST LINES TO 5000 PSI. PUMPED 20 BBLS OF CW-100 AND 20 BBLS OF FRESH WATER. CEMENT WITH 468 SKS OF POZ G + ADDITIVES MIXED AT 13.0 PPG (YIELD 1.75 WITH 8.8 GPS H2O) LEAD AND 1668 SKS OF 50:50 POZG + ADDITIVES MIXED AT 14.1 PPG (YIELD 1.29 WITH 5.96 GPS H2O) TAIL. DISPLACED WITH FRESH WATER + 2 GAL/1000 L064. AVERAGE MIX AND DISPLACE RATE 6 BPM. FINAL PUMP PRESSURE 2900 PSI AT 2 BPM. BUMPED PLUG TO 3900 PSI. FLOATS HELD. HAD FULL RETURNS UNTIL 144 BBL INTO DISPLACEMENT THEN LOSS ALL RETURNS, PUMPED TOTAL OF 160 BBL DISPLACEMENT. FLOAT EQUIP HELD. EST TOP OF CMT AT 1800'. SET MANDREL HANGER WITH 116,000# TEST MANDREL HANGER TO 5,000 PSI RIG DOWN SCHLUMBERGER.
19:00	22:00	3.0	LAND 4.5" CASING @ 19:00 HRS WITH TOTAL TENSION. RD CSG CREW AND CLEAN MUD TANKS.
22:00	06:00	8.0	RIGGING DOWN FLOOR AND MUD PITS.

NO ACCIDENTS
CSG WAS SET @ 10520' (BUT THERE COULD HAVE BEEN A MISTAKE IN THE PIPE COUNT)

TEMP 94 FOR HIGH AND 59 FOR LOW
FUEL 2500 GALS
SAFETY MEETINGS WITH CREWS, FRANKS AND CEMENTERS BEFORE EACH JOB

06:00 RIG RELEASED @ 22:00 HRS, 7/4/06.
CASING POINT COST $569,360

07-05-2006 **Reported By** KENNY HARRIS

DailyCosts: Drilling	$56,824	**Completion**	$195,539	**Daily Total**	$252,363
Cum Costs: Drilling	$914,010	**Completion**	$195,539	**Well Total**	$1,109,549

MD	10,620	**TVD**	10,620	**Progress**	0	**Days**	13	**MW**	11.5	**Visc**	40.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: WO COMPLETION

Start	End	Hrs	Activity Description
06:00	07:00	1.0	RU FRANKS CASING AND HELD SAFTY MEETING
07:00	12:00	5.0	RAN 244 JTS (242 FULL JTS + 2 MARKER JTS) OF 4 1/2", 11.6 PPF, P-110, LTC PRODUCTION CASING. RAN AS FOLLOWING: FLOAT SHOE, 1 JT CASING, FLOAT COLLAR, 71 JTS CASING, MARKER JT AT 7469', 67 JTS CASING, MARKER JT AT 4525' AND THEN 103 JTS (SHOULD HAVE BEEN 105 JTS). DTO CASING MANDREL HANGER. RUN CASING TO 10520' AND HIT BOTTOM 85' EARLY.
12:00	14:00	2.0	CIRCULATE OUT GAS BEFORE ATTEMPTING TO WASH TO BOTTOM W/ROTATING HEAD.
14:00	15:00	1.0	ATTEMPT TO WASH/REAM TO BOTTOM WITH NO LUCK.
15:00	16:00	1.0	RD FRANKS AND RU CEMENTERS. SAFETY MEETING W/SCHLUMBERGER CEMENTERS.
16:00	19:00	3.0	CEMENTING WITH SCHLUMBERGER WITH THE FOLLOWING PROPERTIES. TEST LINES TO 5000 PSI. PUMPED 20 BBLS OF CW-100 AND 20 BBLS OF FRESH WATER. CEMENT WITH 468 SKS OF POZ G + ADDITIVES MIXED AT 13.0 PPG (YIELD 1.75 WITH 8.8 GPS H2O) LEAD AND 1668 SKS OF 50:50 POZG + ADDITIVES MIXED AT 14.1 PPG (YIELD 1.29 WITH 5.96 GPS H2O) TAIL. DISPLACED WITH FRESH WATER + 2 GAL/1000 L064. AVERAGE MIX AND DISPLACE RATE 6 BPM. FINAL PUMP PRESSURE 2900 PSI AT 2 BPM. BUMPED PLUG TO 3900 PSI. FLOATS HELD. HAD FULL RETURNS UNTIL 144 BBL INTO DISPLACEMENT THEN LOSS ALL RETURNS, PUMPED TOTAL OF 160 BBL DISPLACEMENT. FLOAT EQUIP HELD. EST TOP OF CMT AT 1800'. SET MANDREL HANGER WITH 116,000# TEST MANDREL HANGER TO 5,000 PSI RIG DOWN SCHLUMBERGER.
19:00	22:00	3.0	LAND 4.5" CASING @ 19:00 HRS WITH TOTAL TENSION. RD CSG CREW AND CLEAN MUD TANKS.
22:00	06:00	8.0	RIGGING DOWN FLOOR AND MUD PITS.

NO ACCIDENTS
CSG WAS SET @ 10520' (BUT THERE COULD HAVE BEEN A MISTAKE IN THE PIPE COUNT)
TEMP 94 FOR HIGH AND 59 FOR LOW
FUEL 2500 GALS
SAFETY MEETINGS WITH CREWS, FRANKS AND CEMENTERS BEFORE EACH JOB

06:00 RIG RELEASED @ 22:00 HRS, 7/4/06.
CASING POINT COST $569,360

07-06-2006 **Reported By** SEARLE

DailyCosts: Drilling	$0	**Completion**	$44,200	**Daily Total**	$44,200
Cum Costs: Drilling	$914,010	**Completion**	$239,739	**Well Total**	$1,153,749

MD	10,620	**TVD**	10,620	**Progress**	0	**Days**	14	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 10560.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time:

Start	End	Hrs	Activity Description
		24.0	7/7/06 MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 1000'. CEMENT TOP @ 1300'. RD SCHLUMBERGER.

07-15-2006 **Reported By** MCCURDY

DailyCosts: Drilling	$0	**Completion**	$1,945	**Daily Total**	$1,945
Cum Costs: Drilling	$914,010	**Completion**	$241,684	**Well Total**	$1,155,694

MD	10,620	**TVD**	10,620	**Progress**	0	**Days**	15	**MW** 0.0	**Visc** 0.0

Formation : MESAVERDE **PBTD :** 10560.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: PREP FOR FRAC

Start	End	Hrs	Activity Description
06:00	08:00	2.0	NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 8500 PSIG. PREP FOR FRAC .

07-18-2006 **Reported By** HISLOP

DailyCosts: Drilling	$0	**Completion**	$1,404	**Daily Total**	$1,404
Cum Costs: Drilling	$914,010	**Completion**	$243,088	**Well Total**	$1,157,098

MD	10,620	**TVD**	10,620	**Progress**	0	**Days**	16	**MW** 0.0	**Visc** 0.0

Formation : MESAVERDE **PBTD :** 10560.0 **Perf :** 9180'-10430' **PKR Depth :** 0.0

Activity at Report Time: FRAC

Start	End	Hrs	Activity Description
06:00		18.0	SICP 0 PSIG. RU CUTTERS WIRELINE. PERFORATED BLACKHAWK FROM 10225-26', 10238'-39', 10255'-57', 10286'-88', 10297'-98', 10310'-12', 10336'-37', 10349'-51', 10413'-14' & 10429'-30' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4951 GAL YF125ST+ PAD, 43264 GAL YF125ST+ & YF118ST+ WITH 168688# 20/40 SAND @ 1-6 PPG. MTP 7728 PSIG. MTR 50.1 BPM. ATP 6703 PSIG. ATR 45.9 BPM. ISIP 4360 PSIG. RD SCHLUMBERGER. RUWL. SET WEATHERFORD 10K CFP @ 9590'. PERFORATED LPR FROM 9361'-62', 9368'-69', 9380'-81', 9453'-54', 9461'-62', 9472'-74', 9506'-08', 9528'-30', 9541'-42', 9558'-60' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4944 GAL YF125ST+ PAD, 45254 GAL YF125ST+ & YF118ST+ WITH 168694# 20/40 SAND @ 1-6 PPG. MTP 6839 PSIG. MTR 50.8 BPM. ATP 5702 PSIG. ATR 46.3 BPM. ISIP 2850 PSIG. RD SCHLUMBERGER. RUWL. SET WEATHERFORD 10K CFP @ 9161'. PERFORATED LPR FROM 9180'-82', 9189'-90', 9204'-05', 9220'-21', 9229'-30', 9257'-58', 9269'-71', 9282'-83', 9300'-02', 9320'-21' @ 2 SPF & 180° PHASING. RDWL. SDFN.

07-19-2006 **Reported By** HISLOP

DailyCosts: Drilling	$0	**Completion**	$233,904	**Daily Total**	$233,904
Cum Costs: Drilling	$914,010	**Completion**	$476,992	**Well Total**	$1,391,002

MD	10,620	**TVD**	10,620	**Progress**	0	**Days**	17	**MW** 0.0	**Visc** 0.0

Formation : MESAVERDE **PBTD :** 10560.0 **Perf :** 8926 - 10430 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 2630 PSIG. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4952 GAL YF125ST+ PAD, 44810 GAL YF125ST+ & YF118ST+ WITH 169943# 20/40 SAND @ 1-6 PPG. MTP 7117 PSIG. MTR 49.9 BPM. ATP 5928 PSIG. ATR 47.1 BPM. ISIP 3260 PSIG. RD SCHLUMBERGER.

RUWL. SET WEATHERFORD 10K CFP @ 9161'. PERFORATED MPR FROM 8926'-8927', 8931'-8932', 8955'-8956', 8962'-8963', 8986'-8987', 9014'-9015', 9024'-9025', 9045'-9046', 9054'-9055', 9077'-9078', 9087'-9088', 9096'-9097' & 9129'-9131' @ 2 SPF & 180° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4947 GAL YF123ST+ PAD, 45,618 GAL YF123ST+ & YF118ST+ WITH 180,154# 20/40 SAND @ 1-6 PPG. MTP 7799 PSIG. MTR 50.1 BPM. ATP 6151 PSIG. ATR 46.0 BPM. ISIP 4950 PSIG. RD SCHLUMBERGER.

FLOWED 18 HRS ON 16/64" CHOKE. FCP 2700 PSIG. 60 BFPH, RECOVERED 1334 BLW, 4256 BLWTR.

07-20-2006 **Reported By** HISLOP

DailyCosts: Drilling	$0	**Completion**	$10,800	**Daily Total**	$10,800
Cum Costs: Drilling	$914,010	**Completion**	$487,792	**Well Total**	$1,401,802

MD	10,620	**TVD**	10,620	**Progress**	0	**Days**	18	**MW**	0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 10560.0 **Perf :** 8926 – 10430 **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 16/64" CHOKE. FCP 2650 PSIG. 38 BFPH. RECOVERED 1109 BBLS. 3147 BLWTR. MODERATE CONDENSATE.

07-21-2006 **Reported By** HISLOP

DailyCosts: Drilling	$0	**Completion**	$10,800	**Daily Total**	$10,800
Cum Costs: Drilling	$914,010	**Completion**	$498,592	**Well Total**	$1,412,602

MD	10,620	**TVD**	10,620	**Progress**	0	**Days**	19	**MW**	0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 10560.0 **Perf :** 8926 – 10430 **PKR Depth :** 0.0

Activity at Report Time: WO FACILITIES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 16/64" CHOKE. FCP 2400 PSIG. 21 BFPH. RECOVERED 665 BLW. 2482 BLWTR. SI. WO FACILITIES.

FINAL COMPLETION DATE: 7/20/06

08-21-2006 **Reported By** ROGER DART

DailyCosts: Drilling	$0	**Completion**	$10,800	**Daily Total**	$10,800
Cum Costs: Drilling	$914,010	**Completion**	$509,392	**Well Total**	$1,423,402

MD	10,620	**TVD**	10,620	**Progress**	0	**Days**	20	**MW**	0.0 **Visc** 0.0

Formation : MESAVERDE **PBTD :** 10560.0 **Perf :** 8926 – 10430 **PKR Depth :** 0.0

Activity at Report Time: INITIAL PRODUCTION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	8/19/06 INITIAL PRODUCTION. OPENING PRESSURE: TP 0 PSIG & CP 4600 PSIG. TURNED WELL OVER TO QUESTAR SALES AT 12:00 HRS, 8/18/06. FLOWED 1323 MCFD RATE ON 8/64" CHOKE.

8/20/06 FLOWED 1055 MCFD, 24 BC & 27 BW IN 24 HRS ON 8/64" CK. FTP 0 & CP 3600 PSIG.

8/21/06 FLOWED 871 MCFD, 20 BC & 30 BW IN 24 HRS ON 8/64" CK. FTP 0 & CP 3300 PSIG.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ (highlight changes) FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-3078

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Ute Indian Tribe

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ DRY ☐ OTHER

7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit

b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

8. WELL NAME and NUMBER: Chapita Wells Unit 891-16

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43-047-35679

3. ADDRESS OF OPERATOR: 600 17th St., Suite 1000N CITY Denver STATE CO ZIP 80229

PHONE NUMBER: (303) 824-5526

10 FIELD AND POOL, OR WILDCAT: Natural Buttes/Mesaverde

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 796' FNL & 850' FEL 40.041119 LAT 109.437867 LON
AT TOP PRODUCING INTERVAL REPORTED BELOW: Same
AT TOTAL DEPTH: Same

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 16 9S 22E S

12. COUNTY: Uintah

13. STATE: UTAH

14. DATE SPUDDED: 5/4/2006

15. DATE T.D. REACHED: 7/3/2006

16. DATE COMPLETED: 8/18/2006 ABANDONED ☐ READY TO PRODUCE ☑

17. ELEVATIONS (DF, RKB, RT, GL): 4815' NAT GL

18. TOTAL DEPTH: MD 10,620 TVD

19. PLUG BACK T.D.: MD 10,560 TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
RST/CBL/CCL/VDL/GR

23.
WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☑ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12-1/4"	9-5/8" J-55	36.0#	0	2,476		685 sx			
7-7/8"	4-1/2" P-110	11.6#	0	10,520		2136 sx			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	8,328							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Mesaverde	7,524	10,430		
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)		SIZE	NO. HOLES	PERFORATION STATUS
10,225	10,430		2/spf	Open ☐ Squeezed ☐
9,361	9,560		2/spf	Open ☐ Squeezed ☐
9,180	9,321		2/spf	Open ☐ Squeezed ☐
8,926	9,131		2/spf	Open ☐ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
10,225-10,430	48,380 GALS GELLED WATER & 168,688# 20/40 SAND
9361-9560	50,363 GALS GELLED WATER & 168,694# 20/40 SAND
9180-9321	49,927 GALS GELLED WATER & 169,943# 20/40 SAND

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

30. WELL STATUS: Producing

RECEIVED
DEC 05 2006
DIV. OF OIL, GAS & MINING

(5/2000) **(CONTINUED ON BACK)**

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
8/18/2006	8/24/2006	24		36	800	160	Flowing

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:
10/64"	0	2,400								

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:

CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.
Mesaverde	7,524	10,430	

34. FORMATION (Log) MARKERS:

Name	Top (Measured Depth)
Wasatch	4,954
Chapita Wells	5,549
Buck Canyon	6,235
North Horn	6,824
Island	7,162
Upper Price River	7,517
Middle Price River	8,342
Lower Price River	9,140
Sego	9,622
Castlegate	9,789

35. ADDITIONAL REMARKS (Include plugging procedure)

See attached sheet.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant

SIGNATURE Mary A. Maestas DATE 12/4/2006

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

(5/2000)

Chapita Wells Unit 891-16 - ADDITIONAL REMARKS (CONTINUED):

27. PERFORATION RECORD

8658-8846	2/spf
8496-8610	3/spf
8361-8448	2/spf
8075-8321	3/spf
7730-7905	3/spf
7524-7660	2/spf

28. ACID, FRACTURE TREATMENT, CEMENT SQUEEZE, ETC.

8926-9131	50,730 GALS GELLED WATER & 180,154# 20/40 SAND
8658-8846	54,239 GALS GELLED WATER & 191,288# 20/40 SAND
8496-8610	48,469 GALS GELLED WATER & 169,000# 20/40 SAND
8361-8448	53,786 GALS GELLED WATER & 191,657# 20/40 SAND
8075-8321	51,002 GALS GELLED WATER & 157,037# 20/40 SAND
7730-7905	42,063 GALS GELLED WATER & 131,700# 20/40 SAND
7524-7660	55,344 GALS GELLED WATER & 199,640# 20/40 SAND

Perforated the Blackhawk from 10225-10226', 10238-10239', 10255-10257', 10286-10288', 10297-10298', 10310-10312', 10336-10337', 10349-10351', 10413-10414' & 10429-10430' w/ 2 spf.

Perforated the Lower Price River from 9361-9362', 9368-9369', 9380-9381', 9453-9454', 9461-9462', 9472-9474', 9506-9508', 9528-9530', 9541-9542' & 9558-9560' w/ 2 spf.

Perforated the Lower Price River from 9180-9182', 9189-9190', 9204-9205', 9220-9221', 9229-9230', 9257-9258', 9269-9271', 9282-9283', 9300-9302' & 9320-9321' w/ 2 spf.

Perforated the Middle Price River from 8926-8927', 8931-8932', 8955-8956', 8962-8963', 8986-8987', 9014-9015', 9024-9025', 9045-9046', 9054-9055', 9077-9078', 9087-9088', 9096-9097' & 9129-9131' w/ 2 spf.

Perforated the Middle Price River from 8658-8659', 8671-8672', 8700-8701', 8711-8713', 8721-8722', 8737-8739', 8784-8785', 8794-8795', 8830-8832' & 8844-8846' w/ 2 spf.

Perforated the Middle Price River from 8496-8498', 8514-8515', 8539-8541', 8548-8550', 8563-8565', 8595-8596', 8604-8605' & 8609-8610' w/ 3 spf.

Perforated the Middle Price River from 8361-8363', 8371-8373', 8383-8384', 8391-8393', 8399-8401', 8408-8409', 8417-8419', 8441-8442' & 8447-8448' w/ 2 spf.

Perforated the Upper Price River from 8075-8076', 8108-8109', 8119-8120', 8136-8137', 8210-8212', 8225-8227', 8279-8281' & 8319-8321' w/ 3 spf.

Perforated the Upper Price River from 7730-7731', 7786-7788', 7820-7822', 7835-7837', 7864-7866', 7885-7886' & 7903-7905' w/ 3 spf.

Perforated the Upper Price River from 7524-7526', 7540-7541', 7566-7568', 7583-7585', 7595-7597', 7617-7618', 7632-7633', 7647-7648' & 7658-7660' w/ 2 spf.

34. FORMATION MARKERS

Blackhawk	10,275